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**CHANGING DYNAMICS OF THE U.S.-CHINA-LATIN
AMERICA RELATIONSHIP**

by

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March 2016

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RELATIONSHIP**

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ABSTRACT

The United States remains the leading economic, diplomatic, and strategic partner of Latin America. However, the hegemonic geopolitical influence the United States once exerted is arguably fading, and Beijing offers an alternative to Washington's policies that have been encouraged throughout Latin America. Current research indicates a growing Chinese interest in Latin America that has driven tighter economic and organizational involvement in the region. Arguably, this growing relationship has challenged United States' hemispheric policy. It has been argued that the People's Republic of China's economic contributions in Latin America may negatively affect future U.S.-led initiatives. This thesis addresses the variables of economic partnerships, foreign policy considerations, and military-to-military cooperation in order to comparatively analyze the relationships of China and the United States with Latin America. In doing so, this thesis expands on the literature and presents the geopolitical issues facing Washington as China attempts to expand its influence in Latin America.

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LIST OF ACRONYMS AND ABBREVIATIONS

ALBA	Bolivarian Alternative to the Americas
AOR	area of responsibility
BRIC	Brazil, Russia, India, and China
BRICS	Brazil, Russia, India, China, and South Africa
CBP	Customs and Border Patrol
CBSI	Caribbean Basin Security Initiative
CELAC	Community of Latin American and Caribbean States
COCOM	combatant command
DAAFAR	Cuban Revolutionary Air and Defense Force
DHS	Department of Homeland Security
DNCD	National Drug Control Police
DOD	Department of Defense
DON	Department of the Navy
DOS	Department of State
ECFA	Economic Cooperation Framework Agreement
EU	European Union
FARC	Revolutionary Armed Forces of Colombia
FDI	foreign direct investment
FOCAC	Forum on China-Africa Partnership
FTAA	Free Trade Area of the Americas
GNP	gross national product
ISI	import substitution industrialization
JIATF-S	Joint Interagency Task Force South
LAC	Latin American and Caribbean
LEDET	law enforcement detachment
MPA	maritime patrol aircraft
NAFTA	North American Free Trade Agreement
NORTHCOM	Northern Command
OAS	Organization of American States
PACOM	Pacific Command

PLA	People's Liberation Army
PLAN	People's Liberation Army Navy
PRC	People's Republic of China
RIMPAC	Rim of the Pacific
ROC	Republic of China
SOUTHCOM	Southern Command
TPP	Tran-Pacific Partnership
USCG	United States Coast Guard
USDA	United States Department of Agriculture

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I. INTRODUCTION

As China's geopolitical presence in the Western Hemisphere strengthens, this presence will affect economic relationships, homeland security, and the United States' overall role in the region. I have investigated the development of this unique relationship between China, the United States, and Latin America by analyzing three key variables: economic relations, foreign policy, and military-to-military cooperation.

This thesis asks the question: What are the long-term implications of the United States' declining participation in Latin America, combined with China's increasing interest, especially in regards to U.S. security?

A. SIGNIFICANCE OF THE RESEARCH

Since the terrorist attacks of September 11, 2001, the United States has concentrated its strategic efforts toward combating terrorism and attempting to bring stability to the Middle East. More recently, the United States has begun a pivot to the Pacific to balance China's growing naval presence and other long-term interests with the seemingly growing importance of this region. Due to changes in U.S. foreign policy since 9/11, relationships throughout Latin America have declined as trade with the region has fallen and U.S. security concerns, like the war on drugs, have been set aside. General Jim Kelly, commander of the United States Southern Command, stated in his most recent posture statement before Congress that his is the least funded combatant command (COCOM), and that it is difficult for him to maintain a positive presence in the region.¹ Meanwhile, the People's Republic of China (PRC) has been increasing their participation by growing trade relationships; gaining legitimacy in a region that once leaned more toward recognizing Taiwan; participating in regional organizations; and practicing forward military operations to Latin America. With the PRC's growing engagement in the Western Hemisphere, U.S. policymakers could consider changes to the current doctrine. Concentrating on improving relationships throughout Latin America and re-

¹ General John F. Kelly, *Posture Statement of General John F. Kelly, United States Marine Corps; Commander, United States Southern Command*, (Washington, DC: 2015), 4.

energizing the U.S. Southern Command are a few ways to signal the importance of Latin America's relationship with Washington.

Contrary to the current rapport, the relationship between Latin America and the United States was overwhelmingly strong in the early 1990s. Some examples of this collaboration are the historic signing of the North American Free Trade Agreement (NAFTA), the Brady Relief Act, the first Summit of the Americas held in Miami, and the rescue initiative that prevented the collapse of the Mexican economy.² However, from the mid-1990s until September 11, 2001, stagnation developed between the north and the south, especially as the Free Trade Area of the Americas initiative failed to pass approval in the U.S. Congress. In the post-9/11 era, Washington began focusing on a new mission—the Global War on Terror—concentrating political and military efforts in the Middle East and effectively neglecting Latin America. Now that the United States seeks to balance military forces in the Pacific and to increase trade partnerships with the Trans-Pacific Partnership (TPP), Latin America continues to lack importance.

While the United States has been concentrating its efforts elsewhere, Latin America's neglect has not gone unnoticed. Increasingly, the people of the region have voiced general feelings of mistrust and anti-U.S. sentiment, as many consider Washington to be an unreliable partner.³ "Throughout the region, support for Washington's policies has diminished. Few Latin Americans, in or out of government, consider the United States to be a dependable partner. U.S.-Latin American relations have seriously deteriorated."⁴ Actors like China, Russia, and Iran have been cooperating with countries throughout Latin America while U.S. presence and favor in the region has fallen. China's presence, in particular, has garnered the most attention, as the PRC's efforts have been the most substantial in the economic, political, and military sectors. Trade continues to grow, especially in the resource sector, and as diplomatic visits

² Peter Hakim, "Is Washington Losing Latin America?," *Foreign Affairs* 85, no. 1 (2006): 39, doi: 10.2307/20031841.

³ *Ibid.*

⁴ *Ibid.*

between the PRC and countries in Latin America have increased, so too have Chinese military deployments to the region.

The influence of the PRC in Latin America could negatively affect future U.S.-led initiatives. For the time being, the United States remains the region's leading economic partner. However, the geopolitical influence the United States once exemplified is fading, and Beijing offers an alternative to Washington's policies. Chinese military operations in naval exercises, humanitarian aid/disaster relief, and peacekeeping operations have increased, thus exemplifying a larger commitment to the region. Moreover, the U.S. Southern Command has proven to be the lowest priority on the U.S. totem pole of combatant commands, and an indication to what extent Washington values partnerships in the Western Hemisphere.

B. LITERATURE REVIEW

Geopolitics refers to the analysis of power rivalries over territories; this thesis investigates China and the United States acting for influence in Latin America.⁵ China, a state with the world's largest population, estimated at 1,355,692,576 in July 2014,⁶ does not have enough domestic resources to provide for its population and industrial growth; trade is one of China's major strategic goals in pursuit of continued success. There is a surplus of natural resources in Latin America, presenting countries throughout the region with opportunity to reap the benefits of exporting these resources. With that population, "China consumes a large share of the world's commodities, and Latin America is the exporter of such products."⁷ With large amounts of mining rights to resources like copper, oil, and iron available for sale in Latin America, the Chinese have expanded their presence in the region by purchasing large parcels of land and businesses, especially in

⁵ Thierry de Montbrial, *Action and Reaction in the World System: The Dynamics of Economic and Political Power*, (Vancouver: UBC Press, 2013), 54.

⁶ "The World Factbook: China," Central Intelligence Agency, accessed August 21, 2014, <https://www.cia.gov/library/publications/the-world-factbook/geos/ch.html>.

⁷ Barbara Stallings, "The U.S.-China-Latin America Triangle: Implications for the Future," in *China's Expansion into the Western Hemisphere: Implications for Latin America and the United States*, ed. Riordan Roett and Guadalupe Paz (Washington, D.C.: Brookings Institution Press, 2008), 246.

Chile, Brazil, and Argentina.⁸ China has also benefited by exporting many goods to Latin America, where they off-load their products and gain access to the U.S. market through the multitude of bilateral free trade agreements Latin American countries have with the United States.⁹

1. Sino–Latin American Relations

Starting in 2000, China launched a campaign called “going out,” which encouraged companies to expand overseas; one of the regions for expansion was Latin America, and the PRC’s expansion into the region has been on the rise since.¹⁰ In terms of trade, China is the second largest partner to the region, as well as the second largest source of investment in the region; thus, “financial cooperation is becoming the new highlight of China-Latin American trade relations.”¹¹ In July 2014, a trip to the region from China’s president, Xi Jinping, bolstered economic ties with further investment—“the unifying theme of the trip...was China’s use of its enormous financial reserves (now more than \$4 trillion dollars).”¹² Those financial reserves are being used to conduct currency swaps with Argentina, invest in Venezuelan oil, buy oil fields in Brazil, and mines in Chile.¹³ “The huge demand of Chinese economic growth to raw material markets impelled the economic growth of Latin America, which has created the condition for Latin America to enhance trade revenue ... it also plays a non-replaceable role in raw material and energy supply for Chinese industry.”¹⁴

⁸ Ben Laidler et al., “South-South Special: What a Globalizing China Means for LatAm,” *HSBC Global Research*, (2013): 11.

⁹ Stallings, “U.S.-China-Latin America Triangle,” 247.

¹⁰ Laidler, “South-South Special,” 8–10.

¹¹ Zheng Bingwen, Sun Hongbo, and Yue Yunxia, “The Present Situation and Prospects of China-Latin American Relations: A Review of the History since 1949,” in *China-Latin America Relations: Review and Analysis*, vol. 1, ed. He Shuangrong (United Kingdom: Paths International Ltd, 2012), 8.

¹² R. Evan Ellis, “China Fills the Vacuum Left by the United States in Latin America,” *University of Miami Center for Hemispheric Policy: Perspectives on the Americas*, (2014): 2, https://umshare.miami.edu/web/wda/hemisphericpolicy/Perspectives_on_the_Americas/Ellis%20Final%20Paper.pdf.

¹³ Ellis, “China Fills the Vacuum,” 2–3; Laidler, “South-South Special,” 16–22.

¹⁴ Zheng, “The Present Situation and Prospects of China-Latin American Relations,” 9.

Latin America is not the only region where China has sought to invest; the PRC has a strategy in place to strengthen ties across developing regions known as South-South relations. Such relationships in already exist throughout Africa, similarly “China looks to Latin America as a junior partner in its efforts to build commercial and diplomatic ties with developing countries in these regions.”¹⁵ Natural resources will continue to drive China’s trade in the region as “the growing importance of commodity-hungry China to the region reflects the unparalleled competitiveness of South America in the production of many commodities. South America is a chief mining and oil exporter and is becoming the ‘farm of the world.’”¹⁶

The growing economic relationship between China and Latin American countries has resulted in increased trust and influence among these trade partners, demonstrated by the inclusion of China as an observer of the Organization for American States (OAS) since 2004, of which the United States is also a member. In 2008, China released a policy statement affirming the value they placed on growing their relationships with the countries of Latin America.

China’s Policy Document to Latin America and the Caribbean” issued by the Chinese government pointed out that “the Chinese government regards China-Latin America relations from a strategic perspective, and devotes itself to establishing and developing comprehensive cooperation partnerships of equality and mutual benefit and the collaborative development with Latin American and Caribbean nations.”¹⁷

During President Xi’s 2014 visit, the Chinese delegation participated in “a ‘mini-summit’ with leaders of the Community of Latin American and Caribbean States (CELAC), a forum organized to unite countries of the hemisphere that currently excludes the United States and Canada,”¹⁸ strengthening the continually growing cooperation in the region. Another Chinese policy initiative “is the building of a new ‘China-CELAC Forum’ ... an effort to build a regional Latin American body to engage with China in a way that is

¹⁵ Matt Ferchen, interview by CAIXIN, *Comparing China’s and Japan’s Latin American Policy*, Carnegie-Tsinghua Center for Global Policy, August 5, 2014.

¹⁶ Laidler, “South-South Special,” 11.

¹⁷ Zheng, “The Present Situation and Prospects of China-Latin American Relations,” 5–6.

¹⁸ Ellis, “China Fills the Vacuum,” 1.

similar to the Forum on China-Africa Cooperation (FOCAC).”¹⁹ Overall, this relationship may lead to guaranteed cooperation and opportunities for investment and infrastructure projects—”The projects in each of the countries Xi visited will ultimately facilitate the more efficient extraction of the resources in Latin America and the Caribbean by Chinese companies, as well as expand access to their markets by PRC products and services.”²⁰ In the past, Chinese foreign policy revolved around reducing the number of countries that diplomatically recognized the Republic of China (ROC). Latin America was no exception as China appeared to be using their influence through dollar diplomacy. “Beijing also faces a major political challenge in the region: of the 26 countries that recognize Taiwan, 12 are in Latin America or the Caribbean. China is intent on reducing that number through aggressive diplomacy and increased trade, aid, and investment.”²¹ This policy remained until a diplomatic truce was agreed on in 2008, which prevents each from seizing the others’ diplomatic allies. However, some of the literature expresses China’s continued goal of influencing a positive perception in countries that recognize the ROC by increasing opportunities to cooperate.

China has also expanded its military relationship with Latin American countries, including “professional military education and tactical level training from the PLA, and in some cases, arms and equipment from Chinese vendors.”²² The People’s Liberation Army Navy (PLAN) has increased its cooperation with Latin American navies in the form of exercises, peacekeeping, and humanitarian relief. To that end, “the Chinese have begun to evolve from conducting limited deployments in a multilateral context (contributing military police to the MINUSTAH peacekeeping force in Haiti from 2004 through 2012), to bilateral humanitarian engagements.”²³ Military-to-military relations are increasing between China and Latin America at a time when fiscal constraints limit the United States’ ability to allocate additional funds to Latin American missions. This is

¹⁹ Ferchen, “Comparing China’s and Japan’s Latin American Policy.”

²⁰ Ellis, “Chinas Fills the Vacuum,” 2.

²¹ Hakim, “Is Washington Losing Latin America?,” 45.

²² R. Evan Ellis, “The Rise of China in the Americas,” *Security and Defense Studies Review* 16 (2014): 94, <http://chds.dodlive.mil/files/2014/08/SDSR16-final.pdf>.

²³ Ibid., 95.

demonstrated by China “inviting Latin American foreign officers to attend the Chinese National Defense University [opening] a path toward aligning the militaries of these states to Beijing. These invitations are intended to give foreign officers a much deeper empathy to China’s positions.”²⁴

2. U.S.–Latin American Relations

The United States once showed a greater commitment to Latin America in the early 1990s. These efforts include:

The Brady debt-relief proposal ... helped end Latin America’s decade-long, debt-induced recession; the United States, Canada, and Mexico signed the North American Free Trade Agreement (NAFTA); the United States hosted the hemisphere’s first summit meeting in more than a generation; and in 1995 a bold Washington-led rescue package helped prevent the collapse of Mexico’s economy.²⁵

Since then, new trade policies attempted to mirror the success of NAFTA, notably the Free Trade Area of the Americas (FTAA), but this never came to fruition. Washington has been successful in garnering a web of bilateral trade agreements, but some aspects of those pacts are seen as unfair by participating Latin American countries. Many of the protectionist measures are seen as unnecessary:

Still, they resent Washington’s unwillingness to compromise on most issues, such as the trade distorting support payments the U.S. government makes to U.S. farmers, harsh U.S. antidumping rules, and Washington’s demands for new standards of intellectual property protection. Sky-high tariffs and quota limitations on sugar, orange juice, cotton, and many other high-volume Latin American exports make the United States seem ungenerous.²⁶

Because of this, the United States has been supplanted by China in some Latin American countries, as China became “the number one trade partner for Chile and Brazil and ranks in the top five for Peru, Argentina, and Venezuela—allowing all of these countries to

²⁴ Cynthia Watson, “China’s Use of the Military Instrument in Latin America: Not Yet the Biggest Stick,” *Journal of International Affairs* 66, no. 2 (2013): 106, <http://web.b.ebscohost.com/libproxy.nps.edu/ehost/pdfviewer/pdfviewer?sid=cea896e6-ba8a-4898-9c17-4e2d161491a9%40sessionmgr198&vid=5&hid=123>.

²⁵ Hakim, “Is Washington Losing Latin America?,” 39.

²⁶ *Ibid.*, 49.

diversify their exports away from the United States and thus lessening the sway of the U.S. market.”²⁷ That said the United States is still the leading trading partner for the Latin American region: “U.S. exports to the region valued at more than \$150 billion a year, almost as much as the value of its exports to the European Union. But two-thirds of that goes to Mexico, while Brazil and other South American markets remain relatively untapped in the absence of more productive hemispheric trade arrangements.”²⁸

Until recently, the Monroe Doctrine has guided foreign policy as it concerns relationships in Latin America and has driven U.S. intervention in the region. The Monroe Doctrine was originally aimed at removing European influence in the Western Hemisphere, “the U.S. government had also promoted a mostly self-serving diplomatic vision of hemispheric solidarity ... which called for ‘European hands off’ the Americas.”²⁹ There have been many examples of interventions and actions justified by the Monroe Doctrine throughout history, such as implementation of the Platt Amendment in the Cuban Constitution, the building of the Panama Canal that cut off the isthmus of Central America from Colombia, and changes in government regimes. However, “despite the litany of abuses (assumed or real), the United States gave cause and breath to real interests and benefits in the region. Those contributions to rights and freedoms and to political and economic stability became particularly true in the waning years of the Cold War and the decades after.”³⁰ Examples of such benefits include the North American Free Trade Agreement, which has boosted the Mexican economy and increased cooperation with the U.S. and Canada. Plan Colombia led to the defeat of the Revolutionary Armed Forces of Colombia (FARC) insurgency and to a more stable Colombia. Moreover, the bilateral support of the United States and non-governmental organizations help states provide free and fair elections throughout the region. However,

²⁷ Christopher Sabatini, “Will Latin America Miss U.S. Hegemony?,” *Journal of International Affairs* 66, no. 2 (2013): 10, EBSCOhost <http://web.b.ebscohost.com/libproxy.nps.edu/ehost/pdfviewer/pdfviewer?vid=9&sid=cea896e6-ba8a-4898-9c17-4e2d161491a9%40sessionmgr198&hid=123>.

²⁸ Hakim, “Is Washington Losing Latin America?,” 40.

²⁹ John Charles Chasteen, *Born in Blood and Fire: A Concise History of Latin America*, 3rd ed. (New York: W. W. Norton & Company, 2011), 145.

³⁰ Sabatini, “Will Latin America Miss U.S. Hegemony?,” 8.

even though some of the U.S. interventions yielded progressive results, the history of unprovoked intervention remains a sensitive issue throughout the region. Points of contention against Washington's policies remain, such as "a greater willingness to challenge U.S. positions on drug policy or question the wisdom of its Cuba policy [but] should not be mistaken for broad-based opposition to the United States."³¹ Nonetheless, there is a perception of waning U.S. leadership in the region. One example is U.S. participation in regional institutions' and their ability to resolve intra-regional issues.

Indications of diminishing U.S. influence can be seen the reduced role of U.S.-led institutions such as the Organization of American States in resolving important regional issues such as political succession in Honduras and Paraguay, the weakened ability of Washington to advance its position in key regional forums such as the Summit of the Americas, and the proliferation of new sub-regional institutions with explicitly exclude the U.S. such as UNASUR and CELAC.³²

Latin America is doing more on their own and referring to international judiciary bodies or smaller regional blocs to settle disputes. The U.S. is concentrating elsewhere and these organizations are building their legitimacy to act without (the sometimes unwelcome) United States. Latin America is turning inward to resolve socio-political issues without attempting to appease external powers.

The U.S. military's role in Latin America has evolved from the strategic placement and training of forces as it benefited Washington to a more hands-off approach geared toward humanitarian aid and security partnerships.

The era in which the United States could unilaterally send in its marines to occupy a country has ended. One need only see the fraught debate over actual U.S. military involvement in Mexico's recent war on narcotraffickers to realize that military intervention (even at the invitation of the local government) in Latin American countries is conditioned on international and domestic politics and norms.³³

However, Washington has attempted to show that it continues to view Latin American countries as an important military ally, especially as they sought a coalition for the

³¹ Ibid., 11.

³² Ellis, "The Rise of China in the Americas," 95.

³³ Sabatini, "Will Latin America Miss U.S. Hegemony?," 9.

Global War on Terror, which has also come to encompass the war on drugs. In July 2008, the U.S. Navy re-established the Fourth Fleet. Then-Chief of Naval Operations Admiral Gary Roughead, said, “reestablishing the Fourth Fleet recognizes the immense, importance of maritime security in the southern part of the Western Hemisphere, and signals our support and interest in the civil and military maritime services in Central and South America.”³⁴ The Fourth Fleet’s area of responsibility encompasses “South America, Central America, the Caribbean, and surrounding waters”³⁵ and is “tasked with combating terrorism, keeping sea lanes free and open, countering illicit trafficking, and providing humanitarian assistance.”³⁶ However, the commitment to this fleet is questionable, as Fourth Fleet does not have any organic, or permanently controlled, Naval assets to deploy. Nonetheless, General Kelly has been successful in his use of Fourth Fleet when he was able to acquire assets.

Time and again—whether during Plan Colombia or Operation UNIFIED RESPONSE in Haiti; whether in an interdiction operation that denies drug traffickers billions of dollars in revenue; or in multinational training exercises that improve the capability of regional armies, air forces, marines, navies, and special operations forces—our partnerships are the key enablers for ensuring regional security.³⁷

Regardless of economic constraints and military operations being performed by U.S. forces abroad, military assets will be flexible and ready to respond to crises that may upset the stability of the Western Hemisphere.

In sum, the literature clearly describes a rise of influence and participation from China throughout Latin America. The PRC’s growing economic advantage has presented the opportunity to engage in the global market, finding access to resources it needs to provide for its growing domestic consumption. The opportunity for economic growth by

³⁴ R. Guy Emerson, “Radical Neglect? The “War on Terror” and Latin America,” *Latin American Politics and Society* 52, no. 1 (2010): 45, doi: 10.1111/j.1548-2456.2010.00073.x.

³⁵ “Area of Responsibility,” Commander, U.S. Naval Forces Southern Command, U.S. Fourth Fleet, United States Navy, last accessed March 20, 2014, <http://www.public.navy.mil/comusnavso-c4f/Pages/AOR.aspx>.

³⁶ Emerson, “The “War on Terror” and Latin America,” 45–46.

³⁷ General John F. Kelly, *Posture Statement of General John F. Kelly, United States Marine Corps; Commander, United States Southern Command*, (Washington, D.C.: 2013), 15.

Latin American countries has encouraged many to find ways to engage with the strong Chinese market. The Chinese-Latin American economic partnership has opened new markets for resources and sparked economic growth respectively. In order to maintain this relationship with Latin American markets the PRC continues to conduct peer exchanges and set up institutions to encourage the understanding of culture and norms. Furthermore, military-to-military cooperation is on the rise as deployments, arms sales, and professional military education opportunities increase, which afford the growth of new alliances. However, there does not seem to be any real correlation in the increased Chinese participation within Latin America and the perceived decline of U.S. interest in the region. The U.S. economy has a slower growth rate than that of China and the protectionist measures implemented by Washington inhibit greater economic cooperation, restricting trade to bilateral opportunities rather than the regional FTAA once sought. Washington's foreign policy agenda and military strategy are both aimed at other regions that offer a greater security threat to the United States. Furthermore, past experiences by U.S. foreign policy initiatives and military operations have left many in the region with a general distrust which has made partnerships outside of the United States an attractive option. The growing presence of China appears to be welcomed by the countries of Latin America as an alternative to the United States.

C. POTENTIAL EXPLANATIONS AND HYPOTHESES

My research suggests that Chinese economic and political influence is growing in Latin America. China's relationship with Latin America is valuable because of the natural resources Latin America provides to China as it strives to continue growing economically and industrially. Latin America enjoys China's foreign direct investments, infrastructure projects, and a trading partner with a steady, yearly economic growth rate. Although some countries in Latin America are sacrificing parts of their material industrial capability by importing cheaper Chinese products and technology, this is outweighed by the seemingly positive impact China's investment is having in Latin American economies. Furthermore, the network of bilateral free trade agreements the United States has established throughout Latin America benefits Chinese exports. China also continues to grow as a military power and has begun to project power abroad through increased

military-to-military engagements. China's military progress is being demonstrated by peacekeeping operations and naval movements to forward areas-including Latin America. However, as Chinese deployments become more commonplace to areas like Latin America it is currently not a strategic threat.

Though the United States remains the dominant player in Central and South America, its economic and political influence appears to be declining. The constraint of the U.S. budget due to the 2008 recession has encouraged Latin American countries to increase their engagement with the PRC, which has provided an air of optimism with their promises of infrastructure improvements and economic partnerships. As Latin American countries grow economically through trade with China, it can be expected that they will continue to distance themselves from the influence of Washington. Strategically, U.S. military commitment to Latin America is relatively weak compared to the other Combatant Commands. United States foreign policy is continually dictated by the threat posed by the threat of terrorism emanating from the Middle East. With the United States continuing to combat terrorism as part of the Global War on Terror, the lack of threat posed by terrorists in Latin America is also contributing to the seeming decline of interest in the region. The war on drugs that the United States and Latin American countries have actively participated in may be losing partner country commitments, due in part to Washington's inconsistent drug policy with the legalization of marijuana in Washington and Colorado, as well as the recent legalization of marijuana in Uruguay.

Alternatively, the United States' interest in the region may only seem to be in decline because of the arrival of China in the region. The China-Latin American relationship is relatively new and the rate of investment has been initially high. Latin American countries are uneasy about how long the commodity investment will continue and would like to "broaden the range of commercial ties beyond commodities."³⁸ Even with new policies in place to strengthen political ties, without a broadened base of economic venture, there is a possibility that the relationship could end, especially if

³⁸ Ferchen, "Comparing China's and Japan's Latin American Policy."

the Chinese market unexpectedly collapses or access to resources in Latin America become unattainable.

D. RESEARCH DESIGN AND THESIS OVERVIEW

This thesis is a comparative analysis between the relationships of the PRC with Latin America and the United States' relationship with Latin America. In the comparative analysis between the United States and China in Latin America, I will focus on the themes of economics, foreign relations, and military cooperation. The resources used in the literature review have been expanded on in the thesis vis-a-vis government documents concerning policy, Department of Defense (DOD) and Department of the Navy (DON) documents concerning the shift to the Pacific, and academic literature. Statistical economic data was procured through databases, including the World Bank, World Trade Organization, and the CIA Factbook. Ultimately, this thesis concludes with foreign policy recommendations for the United States concerning their involvement in Latin America, especially the need for the United States to maintain relationships with countries throughout Latin America.

The proceeding chapters are organized in a way to allow the reader to easily follow the comparative analysis between U.S. and Chinese relations throughout Latin America. Chapter II discusses the People's Republic of China and its relationship with Latin America. Chapter III concentrates on the United States' relationship with Latin America. Chapter IV concludes the thesis, recommends policy considerations, and areas of further research.

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II. CHINA'S RELATIONSHIP WITH LATIN AMERICA

The relationship between China and Latin America is not a new phenomenon; it has developed slowly, in what many authors have dubbed a period of accumulation.³⁹ Since 1949, this relationship has consisted of people-to-people exchanges that have grown into the economic partnership that one observes presently. Former Chinese Premier Zhou Enlai set the impetus for their seemingly inevitable partnership by stating, "China and Latin American nations should 'develop people-to-people exchanges, strive to establish friendly relations and to develop the cultural and economic intercourse, and gradually move toward the establishment of diplomatic relations.'"⁴⁰ This chapter will describe the economic partnership, foreign policy, and military-to-military cooperation between the People's Republic of China and the countries of Latin America.

A. CHINESE-LATIN AMERICAN ECONOMICS

This section on Sino-Latin American economics will concentrate exclusively on the development of the economic relationship between the People's Republic of China and Latin America. Under current conditions, both China and countries throughout Latin America stand to benefit. China requires large amounts of natural resources and seeks trading partnerships and investment opportunities, while many Latin American countries are gaining increased economic growth as well as critical enhancement of infrastructure projects from Chinese firms. Many academics and politicians claim that China is filling a gap left by an inattentive United States. Nevertheless, the increased Chinese presence in Latin America are not necessarily correlated to United States policies for the continent. Instead, China seems to be taking advantage of economic opportunity in the Western Hemisphere, much like they have done in Africa and certain countries in Southeast Asia, independently of American diplomatic priorities. Moreover, some Latin American countries see China as an economic role model considering its economic growth. If Latin American countries could duplicate that success it could provide a greater opportunity to

³⁹ Zheng, "The Present Situation and Prospects of China-Latin American Relations," 1.

⁴⁰ Ibid., 1-2.

separate from the influence of U.S. regional power. The following sub-sections will focus on economic factors that have driven the Sino-Latin American relationship, the Chinese aspect of this relationship, and the Latin American perspective.

1. China's Economic Growth

Economically, China has gone global, exchanging their communist model for a capitalist one. Since 1978, China has been slowly opening its economy.⁴¹ Converting the economic system was a lengthy process; reformers pressed on with the changes and understood that the process would take time, as the Chinese had to learn the new system while simultaneously preserving the economy they continued to maintain. This model of transition is known as a dual-track system and supporters argue that, “markets are fundamentally political, social, and cultural systems, and a stable transition to a capitalist system must occur in a gradual fashion, with significant and constant support and guidance from the state.”⁴² This dual-track system worked because, “on one track, economic agents assigned rights to, and obligations for, fixed quantities of goods at fixed planned prices as specified in the preexisting plan. At the same time, a market track is introduced under which economic agents participate in the market at free market prices, provided that they fulfill their obligations under the preexisting plan.”⁴³ This plan incentivized the labor to produce more than the state needed under the pre-existing planned market. With the excess production, they created their own market that began to grow, while the state's overall economy was able to maintain the status quo. The success in changing China's economy to a more market based system is shown by the growth rate in Gross National Product (GNP) at an average of 10 percent per year, from 1978 to

⁴¹ Barry Naughton, *The Chinese Economy: Transitions and Growth*, (Cambridge, MA: The MIT Press, 2007), 85.

⁴² Doug Guthrie, “China and Globalization,” in *The Political Economy Reader: Markets and Institutions*, ed. Naazneen H. Barma and Steven K. Vogel (New York: Routledge, 2008), 399.

⁴³ Yingyi Qian, “How Reform Worked in China,” in *In Search of Prosperity: Analytical Narratives on Economic Growth*, ed. Dani Rodrik (Princeton University Press, 2003), 307.

2009.⁴⁴ The growing market economy has introduced a middle class and brought about industrial growth, previously unknown under the planned economy.⁴⁵

The literature has increasingly focused on the growth in trade between China and Brazil, spurred by the larger pattern of trade between Brazil, Russia, India, and China (the BRIC countries). This term was coined by Jim O'Neill of Goldman Sachs, and this grouping is significant because of the growth of these countries' markets and the expectation for them to anchor the global economy. South Africa joined the grouping in 2010, and these five countries are specifically noted for their increasing global prominence: "BRICS comprise those emerging powers whose rapidly growing economies, substantial populations, military capabilities, and expanding diplomatic reach translate into rising power profiles."⁴⁶ This trade relationship is referred to as a South-South relationship, because China has grown its networks extensively in developing countries of the Southern Hemisphere.⁴⁷ Trade, foreign direct investment (FDI), and monetary aid are a few economic factors one can use to gauge the impact China is having in Latin America.

2. China's Economic Interest in Latin America

Neither China nor Southeast Asia has the necessary resources to sustain the growth of the Chinese economy, which is why China has had to expand globally.⁴⁸ China began a "going out" campaign in 2000, as its companies expanded to overseas markets to gain a competitive edge, buy brands, or gain more access to natural resources.⁴⁹ The opening of the Chinese market in the 1990s allowed for an influx of primary products imported from Latin America.

⁴⁴ R. Evan Ellis, *China in Latin America: The Whats and Wherefores*, (Boulder, CO: Lynne Rienner Publishers, 2009), 9.

⁴⁵ *Ibid.*, 9–10.

⁴⁶ Ramesh Thakur, "How Representative are BRICS," *Third World Quarterly* 35, no. 10 (2014): 1792, doi: 10.1080/01436597.2014.971594.

⁴⁷ Laidler, "South-South Special," 3.

⁴⁸ *Ibid.*, 10.

⁴⁹ *Ibid.*, 8–9.

The rapid growth of Latin American exports to China from the end of the 1990s was a result of the increased reliance of China on imports of key raw materials to fuel its industrial boom and to meet the changing food consumption patterns that accompanied higher income levels. This is reflected in the composition of the region's exports to China, a large and increasing proportion of which comprise unprocessed primary products such as copper, iron ore, crude oil and soybeans.⁵⁰

China's demand for resources is best seen in its use of energy: with the largest population in the world, it can be expected that China utilizes a large share of oil.⁵¹ With a population of over 1.3 billion, China utilizes "10% of global oil consumption and has to import over 50% of its oil needs, so state-owned oil companies have been acquiring stakes in oil fields around the world."⁵² Because its consumption alone exceeds production capability, it is necessary for it to rely on sources of fuel abroad to meet its domestic needs. As aforementioned, China's reliance on Latin American countries for raw materials does not appear to show signs of tapering off. Chinese researchers at the Chinese Academy of Social Sciences expect trade between the PRC and Latin America to grow at a rate of eight percent annually through 2020.⁵³ Given these extensive needs, Latin American countries as well as other resource rich areas can most likely count on continued Chinese investment. Figure 1 illustrates the increase in trade from 2005 through 2014. Imports from China have increased from \$36 billion in 2005 to almost \$180 billion in 2014, a growth rate of 393 percent over 10 years.⁵⁴ Exports to China have also increased over the same period, from \$19 billion to \$98 billion-a 412 percent growth rate.⁵⁵ This data was collated from Market Analysis and Research, International Trade Centre and is based on total trade in goods. The graph below the blue bar represents

⁵⁰ Rhys Jenkins, "China's Global Expansion and Latin America," *Journal of Latin American Studies* 42, no. 4 (2010): 814, doi: 10.1017/S0022216X10001379.

⁵¹ "The World Factbook: China."

⁵² Laidler, "South-South Special," 9.

⁵³ Zheng, "The Present Situation and Prospects of China-Latin American Relations," 12.

⁵⁴ "Bilateral trade between Latin America and the Caribbean and China Product: TOTAL All products (Imports)," Trade Map, Market Analysis and Research, International Trade Centre, Accessed June 18, 2015, http://www.trademap.org/Bilateral_TS.aspx.

⁵⁵ Ibid.

imports from China to Latin America and the red bar is exports to China from Latin America.

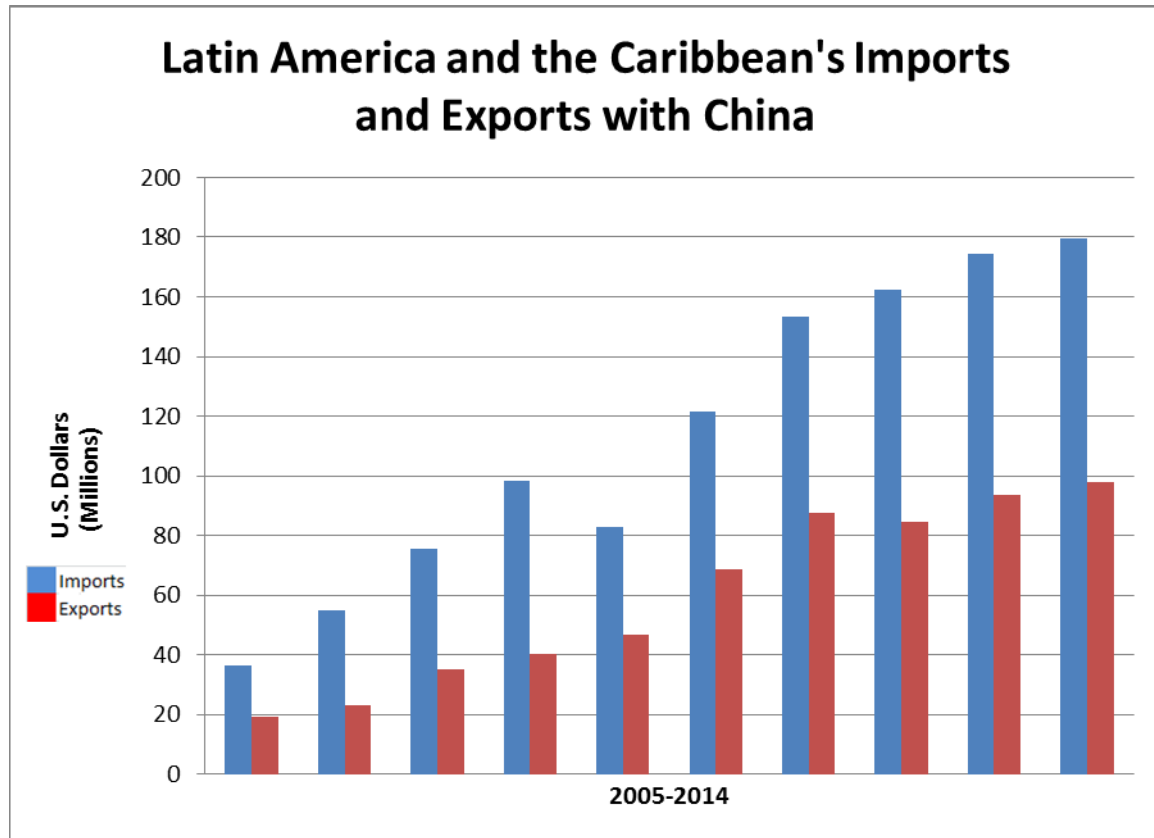


Figure 1. Latin American Imports and Exports with China⁵⁶

Foreign direct investment (FDI) from China to Latin America is growing. Despite having the second largest economy in the world beginning in 2013, China's outward FDI did not match its global economic position, investing just 6.05 percent of total global FDI and that mostly in emerging markets.⁵⁷ According to the Ministry of Commerce of China 12.45 percent of China's 2009 FDI went to Latin America, and concentrated mostly in

⁵⁶ "Bilateral trade between Latin America and the Caribbean and China Product: TOTAL All products (Imports)," Trade Map, Market Analysis and Research, International Trade Centre, Accessed June 18, 2015, http://www.trademap.org/Bilateral_TS.aspx; "Bilateral trade between Latin America and the Caribbean and China Product: TOTAL All products (Exports)," Trade Map, Market Analysis and Research, International Trade Centre, Accessed June 18, 2015, http://www.trademap.org/Bilateral_TS.aspx.

⁵⁷ Laidler, "South-South Special," 9.

resource extraction and manufacturing sectors.⁵⁸ One constraint that could limit China's future growth comes from the trend of resource nationalism in countries such as Brazil, Argentina, and Uruguay.⁵⁹ To prevent large swaths of land purchasing that was consistent from Chinese companies in 2010, restrictions were imposed that did not prevent investment, "but did force Chinese investors to enter contract farming partnerships, rather than outright land ownership."⁶⁰ Although minerals and metals rank highly among Chinese investors, China can seek other opportunities for investment. Referenced as the "farm of the world," Latin America provides key commodities in agriculture as well.⁶¹ According to the United States Department of Agriculture (USDA), "China's 1.3bn population consumes [20%] of the global food supply, yet has only about 9% of the world's acreage under production. In the last 15 years, China's imports of key commodities (corn, soybean and wheat) have increased from 2% of consumption to as high as 20% in 2013/14."⁶² Mainland Central and South America are not the only ones benefitting from the relationship as China looked into the Caribbean for new economic ties and joined the Caribbean Development bank in 1998.⁶³ Overall, "from 1993 to 2000, China-Latin America total trade volume doubled the accumulative volume from 1978 to 1992, reaching 58.5 billion U.S. dollars."⁶⁴ During this timeframe, an economic deal with China usually came with recognition of the PRC over the ROC (Taiwan).

3. Latin America Looks East

Since the 1980s, Latin America has increasingly felt the loss of foreign direct investment as funds from the West declined.⁶⁵ This lack of FDI was most evident in 2003, the year with the lowest amount of investment of \$36 billion since investors started

⁵⁸ Zheng, "The Present Situation and Prospects of China-Latin American Relations," 10.

⁵⁹ Laidler, "South-South Special," 15.

⁶⁰ Ibid.

⁶¹ Ibid., 11.

⁶² Ibid., 23.

⁶³ Zheng, "The Present Situation and Prospects of China-Latin American Relations," 5.

⁶⁴ Ibid.

⁶⁵ Ellis, *China in Latin America: The Whats and Wherefores*, 26.

to shift to Asia in the 1980s.⁶⁶ However, this trend began to change in 2004 when President Hu Jintao of China visited five countries on his Latin American tour, promising “\$100 billion...over the next 10 years.”⁶⁷ The United Nations (UN) Economic Commission for Latin America and the Caribbean (ECLAC) references the diminishing relative presence of the United States in Latin America by stating the increasing engagement presented by the PRC: “Asia, led by China, has considerably increased its share of the region’s trade flows.”⁶⁸ The following chapter will discuss overall trade and investment in terms of U.S. dollar amounts that are declining while China’s trade and investment are rising. The lack of U.S. investment in Latin America has led to a warm reception of President Hu’s promises, “including an array of potential, multibillion-dollar projects for specific countries, generated hope that China could step into the role of Latin America’s benefactor and driver of development, which the West had seemingly abdicated.”⁶⁹ This void can likely be traced to condition of the U.S. economy since the beginning of the 2008 recession. Many of the pledges were in areas where the region needs most attention. Projects such as “railway, oil exploration, and construction projects in Argentina; a nickel plant in Cuba; copper mining projects in Chile; and a steel mill, railway, and oil exploration projects in Brazil” are all welcome advances.⁷⁰ Many of the infrastructure projects that have been completed are centered on access to commodities, like increasing the capabilities of port facilities. This aspect of infrastructure development is described in the U.S.-China Economic and Security Commission, “China focuses its assistance on its own strategic objectives and economic needs, such as developing infrastructure such as ports used to haul oil and other commodities back to China; expanding access to oil, gas, and other natural resources needed for China’s development;

⁶⁶ Ibid.

⁶⁷ Ibid.

⁶⁸ Osvaldo Rosales and Mikio Kuwayama, *China and Latin America and the Caribbean: Building a Strategic Economic and Trade Relationship*, (Santiago, Chile: United Nations Publication, 2012), 65.

⁶⁹ Ellis, China in Latin America: *The Whats and Wherefores*, 26.

⁷⁰ Kerry Dumbaugh and Mark P. Sullivan, *China’s Growing Interest in Latin America* (CRS Report No. RS22119) (Washington, D.C.: Congressional Research Service, 2005), 3, <https://www.fas.org/sgp/crs/row/RS22119.pdf>.

and increasing market access for Chinese products.”⁷¹ In fact, the lack of infrastructure is a problem faced by the Brazilians and the Chinese in importing and exporting products for each other’s markets.⁷² A solution to this problem is critical for productive trade between China and Brazil to continue.⁷³ Therefore, the Chinese have begun exploring options to increase rail and road routes through the Andes to Pacific ports in order to expedite the process: however, the majority of projects that are considered for infrastructure developments have yet to make it past the promise and planning process. Although the infrastructure projects are seemingly welcomed by most host nations, current obstacles such as protected lands and indigenous rights prevent the process from starting. “Perhaps the most ambitious project currently under discussion is a proposed inter-oceanic corridor from the Brazilian port city of Manaus to the Ecuadorian port city of Manta.”⁷⁴ A project that expansive could bring many jobs to Brazil (if China does not bring their own workforce and construction equipment). Nonetheless, it is still reported as being in the planning stages of development.⁷⁵

Furthermore, the imposition of the Washington Consensus into Latin American affairs has led to dissatisfaction with the United States and its policies. The failed Washington Consensus, a set of ten neo-liberal policies to foster macroeconomic stability and international growth, has led to Latin American countries aspiring to follow in the footsteps of the PRC.⁷⁶ To some, the policies of the Washington Consensus, “failed to address—and, in the eyes of some, may have deepened—Latin America’s deep-rooted problems of inequality, corruption, and stagnant growth.”⁷⁷ The new approach, coined as the Beijing consensus, refers to the economic growth of China over the past thirty years.

⁷¹ Jonathan Weston, Caitlin Campbell, and Katherine Koleski, *China’s Foreign Assistance in Review: Implications for the United States*, (Washington, D.C.: U.S.-China Economic and Security Review Commission, 2011), 2.

⁷² Ellis, *China in Latin America: The Whats and Wherefores*, 55.

⁷³ Ibid.

⁷⁴ Ibid.

⁷⁵ Emilio Sánchez de Rojas Díaz, “Analysis of the Conflict in the Central American Corridor: Network Geopolitics,” *Geopolitical overview of conflicts 2014*, (2014): 328.

⁷⁶ “Washington Consensus,” Trade, Foreign Policy, Diplomacy and Health, World Health Organization, accessed March 20, 2015, <http://www.who.int/trade/glossary/story094/en/>.

⁷⁷ Ellis, *China in Latin America: The Whats and Wherefores*, 28.

China was once poorer than some states in Latin America, and it is now the second largest economy in the world. Its approach decreased poverty throughout the PRC and maintained the strength of state control in economic sectors: “whatever the lessons of the Chinese experience that can be applied realistically in Latin America, the ‘Chinese model’ is a convenient rhetorical tool for regimes in search of development, but who do not want to follow a path of transparency, accountability, and institutional reforms that could result in the ouster of the existing leadership.”⁷⁸

The trade alliances between the PRC and the countries of Latin America have steadily grown since China began opening its economy. Today we observe China supplanting the United States as the primary economic partner in many Latin American countries. The opportunity for enhanced infrastructure projects, a strong economic growth rate, and steady buyer of Latin American goods natural resources have ensured a stronger bond. Chinese researchers at the Chinese Academy of Social Sciences have declared this relationship will continue to grow as China’s need for resources, which is driven by its growth, remains constant.

B. CHINESE–LATIN AMERICAN FOREIGN POLICY

The growing economic relationship between China and Latin American countries has resulted in increased trust and influence. This shown by the inclusion of China as an observer of the Organization for American States (OAS) since 2004. In 2008, China released a policy statement affirming the value they placed on growing their relationships with the countries of Latin America: “the Chinese government regards China-Latin America relations from a strategic perspective, and devotes itself to establishing and developing comprehensive cooperation partnerships of equality and mutual benefit and the collaborative development with Latin American and Caribbean nations.”⁷⁹ Economic partnerships in the region have led to greater diplomatic ties with the PRC, thus increasing political and social integration with Latin Americans. This section will

⁷⁸ Ibid.

⁷⁹ Zheng, “The Present Situation and Prospects of China-Latin American Relations,” 5–6.

examine Latin America's willingness to cooperate through the inclusion of China in regional organizations, diplomatic recognition, and cultural studies.

Simultaneously, the growth of economic partnerships throughout Latin America has led to increased political interaction with the PRC. China's policy paper acknowledges the growing exchanges with governments and regional organizations in Latin America and the Caribbean publicizing that "China will continue this pattern of engagement in regional and sub-regional organizations as a means for promoting 'regional solidarity, development and integration.'" ⁸⁰ That pattern of engagement has been seen in the inclusion of China as a permanent observer to the OAS, the Latin American Parliament, and has participated with the Community of Latin America and Caribbean States (CELAC). During President Jinping's 2014 visit, the Chinese delegation met with leaders of CELAC— "a forum organized to unite countries of the hemisphere that currently excludes the United States and Canada." ⁸¹ This integration shows a possible bias by Latin American leaders who may appreciate a partner outside of the hemisphere, considering the United States and Canada are left out of this organization. The PRC is starting a new initiative to gain closer ties with the organization by, "the building of a new 'China-CELAC Forum' ... an effort to build a regional Latin American body to engage with China in a way that is similar to the Forum on China-Africa Cooperation (FOCAC)." ⁸² The Chinese have either opened dialogue or sought to deepen relationships throughout Latin America by initiating bilateral or grouped forums since 2005. ⁸³

However, the influential rise of China has not come without obstacles. One hurdle China and Latin American countries have overcome, in some circumstances, surrounds the recognition of Taiwan. Previous to 2008, the PRC would not enter into a cooperative relationship with any country that recognized Taiwan's sovereignty under the One-China

⁸⁰ Jon Brandt et al., "Chinese Engagement in Latin American and the Caribbean: Implications for U.S. Foreign Policy," (American University, 2012), 22, https://www.american.edu/sis/usfp/upload/Chinese-Engagement-in-LAC-AU_US-Congress-FINAL.pdf.

⁸¹ Ellis, "China Fills the Vacuum Left by the United States in Latin America," 1.

⁸² Ferchen, "Comparing China's and Japan's Latin American Policy."

⁸³ Zheng, "The Present Situation and Prospects of China-Latin American Relations," 8.

policy.⁸⁴ This policy states that, “a nation-state cannot recognize both the PRC and the Republic of China.”⁸⁵ As a result, between 2000 and 2008, “eight nations have switched recognition from Taiwan to China. Taiwan now has just 24 diplomatic allies around the world, mostly small countries in the Caribbean, Africa and the Pacific, along with seven others in Latin America.”⁸⁶ This is a reduction of 64 percent since the 1960s. Perhaps countries hoping to benefit from Chinese economic growth would have missed the opportunity without the diplomatic switch. Even though Taiwan has been a regular economic partner with many countries throughout Latin America, they cannot compete with the amount of money China is willing to spend in the region; Taiwan “is now hard-pressed to compete against the growing economic and political clout of China—what one official in Taiwan referred to as China’s ‘dollar diplomacy.’”⁸⁷ Costa Rica changed their diplomatic recognition from Taiwan to the PRC in 2007 and in return China built a new soccer stadium for the country.⁸⁸ This is not the first example of the *quid pro quo* used by the PRC: “This is a major driver of Chinese aid to countries in the region, particularly in Central America and the Caribbean. When China provided aid to build cricket stadiums in several Caribbean countries in the run-up to the 2007 World Cup, both Dominica and Grenada switched recognition from Taiwan to the PRC.”⁸⁹ China sought to increase its claim over Taiwan through offering benefits such as building sports arenas and other economic incentives. Figure 2 illustrates the remaining countries of Latin America that continue to recognize the ROC. However, in 2008, “the PRC and Taiwan agreed to a ‘diplomatic truce.’”⁹⁰ The issue of diplomatic recognition in order to cooperate with

⁸⁴ Jenkins, “China’s Global Expansion and Latin America,” 813.

⁸⁵ Colin Alexander, “Public Diplomacy and the Diplomatic Truce: Taiwan and the People’s Republic of China (PRC) in El Salvador,” *Place Branding and Public Diplomacy* 7, no. 4 (2011): 271, ProQuest (doi: 10.1057/pb.2011.27).

⁸⁶ “China/Taiwan: Costa Rica Switches Allegiance to PRC, More May Follow,” *Asialaw*, July/August 2007, <http://search.proquest.com.libproxy.nps.edu/docview/218390366/fulltext/64D508BDEB7B491BPQ/1?accountid=12702>.

⁸⁷ Dumbaugh, “China’s Growing Interest in Latin America,” 4.

⁸⁸ “China/Taiwan: Costa Rica Switches Allegiance to PRC,” 1.

⁸⁹ Jenkins, “China’s Global Expansion and Latin America,” 813.

⁹⁰ Colin Alexander, “Public Diplomacy and the Diplomatic Truce,” 271.

either is currently not a stipulation for partnership. This truce has been signed into agreement through the Economic Cooperation Framework Agreement (ECFA). This legislation states that “the PRC and Taiwan would cease in their attempts to accumulate each other’s diplomatic allies and in turn, both would maintain the status quo.”⁹¹ Nonetheless, China continues to institute programs and incentives to create a positive impression amongst countries in Latin America.



Figure 2. Countries that Diplomatically Recognize Taiwan in Latin America⁹²

Another way in which the PRC looks to garner continued support is through social outreach programs, like those provided at Confucius Institutes. These institutes are a, “global effort to attain ‘soft power’ matching its growing economic and military prowess.”⁹³ Latin America’s first Confucius Institute was built in Mexico City in 2006, by the end of 2008 that number rose to 17 throughout the region.⁹⁴ As of 2015, The

⁹¹ Ibid., 273.

⁹² “Taiwan Loses a Diplomatic Ally,” Stratfor Global Intelligence, Stratfor, November 19, 2013, https://www.stratfor.com/analysis/taiwan-loses-diplomatic-ally?0=ip_login_no_cache%3D83b245446233a8e73c7eed03f176b910.

⁹³ Brandt, “Chinese Engagement in Latin American and the Caribbean,” 18.

⁹⁴ Zhiqun Zhu, *China’s New Diplomacy: Rationale, Strategies and Significance*, (Surrey, England: Ashgate Publishing, 2010), 99.

University of Nebraska-Lincoln Confucius Institute website lists 30 Institutes spanning Central and South America as well as the Caribbean; the United States hosts 96 of these Institutes (none of the Confucius Institutes are located in countries that recognize Taiwan).⁹⁵ Confucius Institutes are located mostly at foreign universities and international media venues.⁹⁶ The institutes help spread a cultural and linguistic understanding of China, advance media outlets, and empower Chinese communities abroad. It is important to recognize that, “they do not compete with university programs, but augment existing language courses and cultural exchange efforts. Confucius Institutes also support primary and secondary school Chinese language classes.”⁹⁷ They also promote personnel exchanges, so students can immerse themselves both in the Chinese language and Chinese culture, and then return home to teach.⁹⁸ Exchanges like these may help to ensure future cooperation between China and Latin America.

The growing economic relationship between China and Latin American countries has resulted in increased trust and influence among these partners. China’s policy statement affirming the value they place on growing their relationships with the countries of Latin America has been reciprocated throughout the region. The economic partnerships have led to greater diplomatic ties with the PRC, and this bond may continue to increase political and social integration with Latin Americans.

C. MILITARY COOPERATION

Another important aspect of China’s relationship with Latin America is the use of the military as an instrument in expanding their presence in the region. China has been cautious in deploying assets to the western hemisphere in an effort to prevent aggravating Washington. Furthermore, the Chinese do not currently possess the long-range, long-term logistical capability of the United States, making their current military growth and involvement in military affairs through Latin America a benign threat to U.S. interests.

⁹⁵ “Confucius Institutes Around the Globe,” Confucius Institute at the University of Nebraska-Lincoln, University of Nebraska-Lincoln, updated November 2014, <http://confuciusinstitute.unl.edu/institutes.shtml>.

⁹⁶ Ibid.

⁹⁷ Ibid.

⁹⁸ Ibid.

As China's military capability grows, the aptitude to deploy around the world and for longer periods will likely follow. Just as the economic and foreign policy dynamics have encouraged further involvement between the PRC and countries of Latin America, the same can be said of their military-to-military cooperation. Militaries throughout the region are diversifying their cooperation with allies; this includes receiving professional military education, tactical training, arms, and equipment from the People's Liberation Army (PLA) and other Chinese military contractors.⁹⁹ This section will discuss Chinese deployments to Latin America, peer-to-peer exchanges, and arms sales.

Military relations in Sino-Latin America partnerships have received less attention in the literature, but there are still examples of the PRC's attempts to enhance this relationship. In the Western Hemisphere, China has contributed to small-scale operations, such as MINUSTAH, the Haitian peacekeeping effort, since 2004.¹⁰⁰ China's participation in this mission is significant as Haiti recognizes Taiwan, but this demonstrates China's willingness to cooperate with countries that do not entirely serve their interests.¹⁰¹ Other deployments to the region include:

 bilateral humanitarian engagements such as the November 2010 Angel de Paz medical exercise in Peru and the December 2011 trip by the Chinese medical ship "Peace Ark" to the Caribbean, to more combat-oriented engagements, such as the joint training activities conducted with Chilean and Brazilian naval forces during the visit by a PLA naval flotilla to the Southern Cone in November 2013.¹⁰²

Since then, the PRC has steadily increased participation of military exercises in the hemisphere. The People's Liberation Army Navy (PLAN) recently participated in the annual Rim of the Pacific (RIMPAC) 2014 exercise, a multinational naval effort coordinated by the United States. The United States lifted the ban on Chinese

⁹⁹ Ellis, "The Rise of China in the Americas," 94.

¹⁰⁰ Ibid., 95.

¹⁰¹ International Crisis Group, "China's Growing Role in UN Peacekeeping," *Asia Report*, no. 166 (2009): 17–18, http://www.crisisgroup.org/~media/Files/asia/north-east-asia/166_chinas_growing_role_in_un_peacekeeping.pdf.

¹⁰² Ibid.

participation in 2012 and invited the PLAN back for future exercises.¹⁰³ This gesture displays U.S. willingness to work with the PRC and cooperate with the growth of the People's Liberation Army Navy. Meanwhile, Latin America has increased their military cooperation with the Chinese as well, citing the "longstanding proclamations of nonintervention and respect for state sovereignty," that the Chinese maintain in their military doctrine.¹⁰⁴ The PLA and the PLAN can gain valuable experience by participating, with the United States Navy in exercises as well as operating with U.S. allies. As China's navy is really beginning to take shape the use of port visits and training exercises with U.S. allied maritime partners in Central and South America allow the PLAN to learn how the United States Navy operates—a lesson in sea power. As R. Evan Ellis states, "Chinese partnerships with militaries that previously had a close relationship with the United States, including not only Venezuela, but also, for example, Chile, afford the Chinese opportunities to learn U.S. doctrine, tactics and standard operating procedures."¹⁰⁵ However, the application of training received vis-à-vis observation and light participation with the United States or allied countries is a tool for growth but unlikely to be successful offensive tool if conflict were to occur. Much of U.S. doctrine and military publications are available in open sources and offer the opportunity for one to advance their own military training. Even with the availability of this knowledge, the ability to apply it is different from reading about it or participating in a multilateral exercise. China has a lot to learn on how to use their military as a form of statecraft like the United States. As the PRC's military expands operations globally they will tread lightly so as not to complicate what fragile relationship they do have with the United States.¹⁰⁶

¹⁰³ Sam LaGrone, "China Invited Back for Future RIMPAC Exercises," USNI News, U.S. Naval Institute, July 02, 2014, http://news.usni.org/2014/07/02/china-invited-back-future-rimpac-exercises?utm_source=USNI+News%3A+Members&utm_campaign=c5e9fcd036-USNI_MEMBERS_NEWS_DAILY&utm_medium=email&utm_term=0_212f579a99-c5e9fcd036-&ct=t%28USNI_MEMBERS_NEWS_DAILY%29&mc_cid=c5e9fcd036&mc_eid=ca3e594696.

¹⁰⁴ Watson, "China's Use of the Military Instrument in Latin America," 106.

¹⁰⁵ R. Evan Ellis, "The Military-Strategic Dimensions of Chinese Initiatives in Latin America," University of Miami Center for Hemispheric Policy: Perspectives on the Americas, (2006): 10–11, <https://umshare.miami.edu/web/wda/hemisphericpolicy/EllisPaper-final-draft.pdf>.

¹⁰⁶ Watson, China's Use of the Military Instrument in Latin America, 101–110.

Just as the Confucius Institutes have led to civilian peer-to-peer exchanges, the military is conducting the same practice in professional exchanges. In China's policy paper on relations with Latin America, published in 2008, it "announced that it sought to enhance 'mutual visits by defense and military officials of the two sides as well as personnel exchanges,' and to deepen 'professional exchanges in military training, personnel training and peacekeeping.'" ¹⁰⁷ This is demonstrated by China "inviting Latin American foreign officers to attend the Chinese National Defense University [opening] a path toward aligning the militaries of these states to Beijing. These invitations are intended to give foreign officers a much deeper empathy to China's positions." ¹⁰⁸ Furthermore, the PRC stands to gain an understanding of professional military education offered in the United States vis-à-vis Latin American military officers who have previously attended U.S. institutions, but it also affords the People's Liberation Army the opportunity to develop future Latin American leaders. ¹⁰⁹ The PLA is offering training at all levels of the officer corps in programs ranging from engineering to grand strategy: "for instance, at the PLA Navy Staff College, it is not uncommon to have Latin American junior and senior officers attending different levels of education in the same year. This allows the Chinese military to get acquainted with officers from different generations and from all services." ¹¹⁰ Coursework is available for Latin American personnel at a number of PLA institutes, including the Defense Studies Institute, Army Command College, Chinese Navy Command School, Center for Military Instruction, and Naval Research Institute. Latin American military personnel have been hosted at these establishments for training periods as few as three months and as long as one year. ¹¹¹ Although exact numbers of participants being exchanged in either direction have not been accessible, the

¹⁰⁷ R. Evan Ellis, "China-Latin America Military Engagement: Good Will, Good Business, and Strategic Position," (Carlisle Barracks, PA: U.S. Army War College Strategic Studies Institute, 2011), 1, <http://www.strategicstudiesinstitute.army.mil/pdffiles/PUB1077.pdf>.

¹⁰⁸ Watson, "China's Use of the Military Instrument in Latin America," 106.

¹⁰⁹ J. Peter Pham, "China's Strategic Penetration of Latin America: What It Means for U.S. Interests," *American Foreign Policy Interests* 32, no. 6 (2010): 373, doi: 10.1080/10803920.2010.535762.

¹¹⁰ *Ibid.*, 374.

¹¹¹ Ellis, "China-Latin America Military Engagement," 15–16.

opportunity for military professionals from China and countries of Latin America work toward the ultimate goal of building stronger partnerships.

Another opportunity for Latin American countries to take advantage of is the sale of arms from China. The PRC has already offered military assistance in the training and equipping militaries throughout the region. What may be disheartening for Washington is the amount of support China offers to Venezuela and Cuba. An example of this support occurred in 2004 when, “China sold 3 JYL-1 Mobile Air Defense Radars to Venezuela, and offered to sell FC-1 and J-10 fighter aircraft.”¹¹² When Hugo Chavez removed U.S. Special Operations units out of Venezuela in 2002, he invited PLA units to fill the void left by the end of U.S. military aid.¹¹³ The training of military forces was also observed in Cuba: “China has actively supported Cuba’s Air and Air Defense Forces (DAAFAR) in the development of sophisticated radar, early-detection, and [anti-aircraft] systems.”¹¹⁴ In exchange for their received training, Cuba opened the Lourdes facility, a signals intelligence operation built by the Soviet Union, to collect intelligence off the U.S. coast.¹¹⁵

However good intentioned, this growing aspect of China’s use of the military as an instrument to expand its presence, influence, and tactical knowledge vis-a-vis U.S. allies and military exercises should be concerning to U.S. leadership. China has been cautious in deploying assets to the western hemisphere in an effort to prevent aggravating Washington, but military-to-military cooperation continues to grow. Even though the Chinese do not currently possess the long-range, long-term logistical capability, like that of the United States, they are making headway with their current military growth and involvement in military affairs.

¹¹² Ellis, “The Military-Strategic Dimensions of Chinese Initiatives in Latin America,” 6.

¹¹³ Ibid.

¹¹⁴ Pham, “China’s Strategic Penetration of Latin America,” 372.

¹¹⁵ Ibid, 373.

D. CONCLUSION

China's economic relationship with Latin America is mutually beneficial and strategically offers China opportunities to grow militarily. As China continues to grow as a global power, its need for primary products is satisfied by the cooperation of resource rich countries throughout Latin America. Furthermore, its cash reserves for investment, offer countries in Latin America a partner outside of the United States and an opportunity to grow economically. One can observe the history of economic influence to affect diplomacy, as recognition of the ROC has declined in a region that historically leant toward Taipei. The way in which China has achieved their economic success serves as a role model for Latin American countries who have found the Washington Consensus and other U.S. initiatives lacking. The PRC's foreign policy agenda offers a fresh wave of support, especially in an era when the United States foreign policy agenda is highlighted by a tightened budget, turmoil in the Middle East, and an emphasis on growing Pacific partnerships. Continued visits to Latin America by high-level dignitaries exemplify the importance of the relationship to China, which is reinforced by its 2008 policy paper, Confucius Institutes, and peer exchanges. Overall, the Chinese presence is growing, affectively filling a void that the United States has been unable to fill economically and strategically. Continued cooperation between the PLA and PLAN with Latin American allies begins to make up for a lack of military assets from the United States, which has not put as much emphasis into the region since the beginning of the Global War on Terror. The arrival and consistent presence of the PLA and PLAN in the Western Hemisphere is not seen as a strategic threat to the United States. Currently it stands as a lesson in forward presence operations as the Chinese military, especially their Navy, begins to take shape in operations away from homeland defense. The current dynamics of the Sino-Latin American relationships suggest that continued economic growth will continue to encourage trade partnerships between the PRC and Latin American countries. As the PLA(N) continues to expand operations abroad the strategic value of alliances in the Western Hemisphere could continue to drive ties with Latin American countries, even if economic conditions begin to decline.

III. UNITED STATES' RELATIONSHIP WITH LATIN AMERICA

Much of the literature suggests that the United States is less engaged from issues facing Latin America, especially those related to economics, foreign policy, and military cooperation. Because of geographical location, one would assume that the relationship between Washington and Latin American countries would be beneficial for that region; however, differences in political standing, failed economic reforms, and a feeling of dominance from North America has left some relationships estranged. This chapter will analyze the economic partnership, foreign policy, and military-to-military cooperation between the United States and the countries of Latin America.

A. U.S.-LATIN AMERICAN ECONOMICS

During the early 1990s, the United States made many attempts to foster beneficial relationships with the countries in Latin America. These efforts began in 1989 with the Brady Debt Relief Act and led to the North American Free Trade Agreement (NAFTA).¹¹⁶ Furthermore, the United States played host to the Summit of the Americas and created a rescue package that prevented Mexico's economy from failing.¹¹⁷ NAFTA has been a successful endeavor for those involved, which led to the attempted formation of a Free Trade Area of the America's (FTAA), and was announced during the Summit of the Americas. The effort failed to come to fruition, but Washington has been successful in garnering a web of bilateral trade agreements, even though some aspects of those pacts are seen as unfair by participating Latin American countries:

Still, they resent Washington's unwillingness to compromise on most issues, such as the trade distorting support payments the U.S. government makes to U.S. farmers, harsh U.S. antidumping rules, and Washington's demands for new standards of intellectual property protection. Sky-high tariffs and quota limitations on sugar, orange juice, cotton, and many other high-volume Latin American exports make the United States seem ungenerous.¹¹⁸

¹¹⁶ Hakim, "Is Washington Losing Latin America?," 39.

¹¹⁷ Ibid.

¹¹⁸ Ibid., 49.

These examples are but a few of the reasons why the United States has been supplanted by China in some Latin American countries, as China became “the number one trade partner for Chile and Brazil and ranks in the top five for Peru, Argentina, and Venezuela—allowing all of these countries to diversify their exports away from the United States and thus lessening the sway of the U.S. market.”¹¹⁹ Although the United States is still the leading trading partner for the Latin American region as a whole: “U.S. exports to the region [are] valued at more than \$150 billion a year, almost as much as the value of its exports to the European Union. But two-thirds of that goes to Mexico, while Brazil and other South American markets remain relatively untapped in the absence of more productive hemispheric trade arrangements.”¹²⁰ This section will concentrate on trade between the United States and Latin America, the present Latin American perspective on the trade, and why Mexico continues to align with North America.

1. U.S. Trade with Latin America

One of the debates before academics and politicians is whether China is filling an economic void left by the United States as it concentrates on areas away from the Western Hemisphere. Washington has been seeking stability in the Middle East and pivoting to the Pacific—concentrating on security and economic partnerships. Latin America has felt the loss of investment. Monetary trade in goods has increased by just over seven percent from 2001 to 2010, but the amount of goods from the United States to Latin America declined by 8.6 percent, along with goods from Latin America to the U.S. declining by approximately 16 percent during the same period.¹²¹ In addition to this decline in overall goods, the U.S. trade deficit with the region has increased by \$25 billion.¹²² This reduction of the United States as a trade partner is due in part to the increase in trade from China; reduced budgetary resources since the 2008 recession; opposition from the left leaning governments of Venezuela, Bolivia, and Ecuador; and

¹¹⁹ Sabatini, “Will Latin America Miss U.S. Hegemony?,” 10.

¹²⁰ Hakim, “Is Washington Losing Latin America?,” 40.

¹²¹ Rutilio Martinez and Vish Iyer, “U.S. Trade in Goods With Latin America (2001 – 2010): Trends and Perspectives,” *International Business and Economics Research Journal* 12, no. 5 (2013): 503, <http://www.cluteinstitute.com/ojs/index.php/IBER/article/view/7825/7887>.

¹²² Ibid.

the high economic tariffs imposed by the United States.¹²³ The decline in participation restrains some economic growth between the United States and the region. The current period of peaceful coexistence, highlighted by the recent relaxing of sanctions against Cuba, may prove to be a time for greater economic cooperation. Figure 3 illustrates the amount of trade from 2005 through 2014 between Latin America and the United States. Imports from the United States have increased from \$187 billion in 2005 to almost \$356 billion in 2014, a growth rate of 90 percent over 10 years.¹²⁴ Exports to the United States have also increased over the same period, from \$284 billion to \$455 billion-a 60 percent growth rate.¹²⁵ This data was collated from Market Analysis and Research, International Trade Centre and is based on total trade in goods. Even though the data supports increased monetary trade between the United States and Latin America, the growth rates are much lower than those with China. This section will analyze the prospects for future economic cooperation in light of China's presence in the region and existing free trade agreements.

¹²³ Ibid., 503–507.

¹²⁴ “Bilateral trade between Latin America and the Caribbean and United States of America Product: TOTAL All products (Imports),” Trade Map, Market Analysis and Research, International Trade Centre, Accessed June 18, 2015, http://www.trademap.org/Bilateral_TS.aspx.

¹²⁵ Ibid.

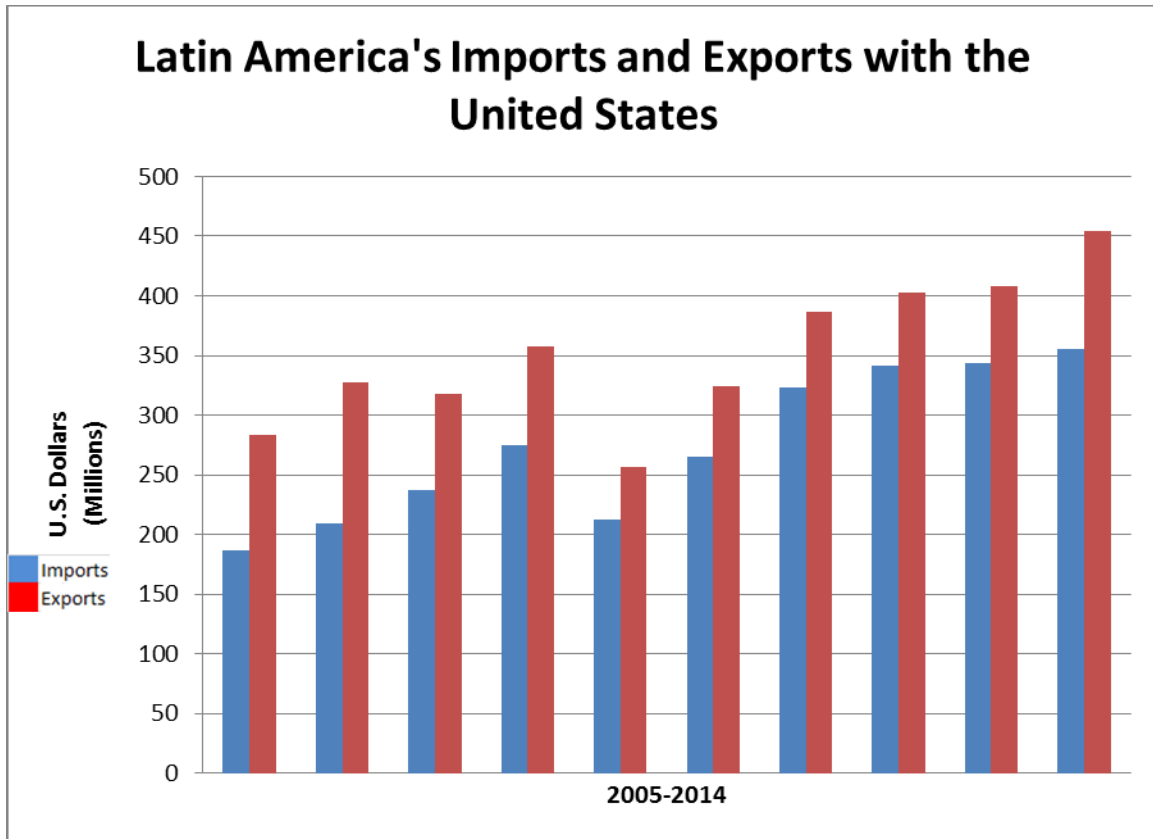


Figure 3. Latin American Imports and Exports with the United States¹²⁶

The United States and Latin America have a steady history starting around the time of the colonial expansion of Western Europe to the Americas. Nonetheless, the United States and the countries of Latin America could not be farther separated by what each needs. Washington's agenda does not encompass what Latin America seems to need: "reduced agricultural subsidies, more liberal immigration laws, greater social investment and bigger development projects."¹²⁷ In turn, Latin American governments have not rallied to what Washington seeks: "reliable partners in the war on

¹²⁶ "Bilateral trade between Latin America and the Caribbean and United States of America Product: TOTAL All products (Imports)," Trade Map, Market Analysis and Research, International Trade Centre, Accessed June 18, 2015, http://www.trademap.org/Bilateral_TS.aspx; "Bilateral trade between Latin America and the Caribbean and United States of America Product: TOTAL All products (Exports)," Trade Map, Market Analysis and Research, International Trade Centre, Accessed June 18, 2015, http://www.trademap.org/Bilateral_TS.aspx.

¹²⁷ Michael Shifter and Peter Hakim, "Bush Got nada," Los Angeles Times, November 13, 2005, ProQuest (<http://search.proquest.com/docview/422007884?accountid=12702>).

terrorism...and more open markets for trade and foreign investment.”¹²⁸ Some of these incompatible needs continue to block the development of the FTAA. Whereas the success garnered through NAFTA and multiple free trade agreements has been beneficial to those countries that participate, it could be argued that the Free Trade Agreement of the Americas would be of greater benefit for the entire Western Hemisphere, bringing North and South America to a more fruitful relationship. Even though the initiative was stopped in the U.S. Congress, which is but one reason that it did not materialize, the opportunity for that legislation to re-emerge is diminishing because the United States’ declining importance as a trading partner with countries in Latin America. For instance, the trade bloc Mercosur, led by Brazil, prefers strengthening the ties within MERCOSUR, other established trading blocs, the European Union (EU), and China.¹²⁹ This opposing approach to bilateral free trade agreement with the United States and clashes with the United States over protected industry, copyright, and tariffs continue to threaten any attempt at creating the FTAA. Arguably, until Washington abolishes its policies on domestic agricultural subsidies, it is likely the members of Mercosur will not approve any bilateral trade agreement or any future FTAA initiative.¹³⁰

The United States is standing in its own way in reaching two of the largest markets in Latin America because of its tariffs, leaving the market open for China, the EU, and its own inter-bloc trade.¹³¹ Argentina, Brazil, Paraguay, Uruguay, and Venezuela make up the trade bloc of Mercosur; the first and third largest economies of Latin America, Brazil and Argentina, are responsible for 65 percent of South America’s GDP.¹³² Furthermore, the left leaning countries of Venezuela, Bolivia, and Ecuador are some of the most active anti-U.S. governments in the Western Hemisphere and are also members of the Bolivarian Alternative to the Americas (ALBA): “which is an organization that has the explicit goal of opposing the Free Trade Area of the

¹²⁸ Ibid.

¹²⁹ Peter H. Smith, “Strategic Options for Latin America,” in *Latin America in the New International System*, ed. Joseph S. Tulchin and Ralph H. Espach (Boulder, CO: Lynne Rienner, 2001), 48.

¹³⁰ Martinez, “U.S. Trade in Goods With Latin America (2001 – 2010),” 507.

¹³¹ Ibid., 506.

¹³² Ibid.

Americas.”¹³³ Despite a number of indicators that Latin American countries do not trust or seek to cooperate with the United States, there is still an opportunity to work toward a better relationship if Washington is willing. Jose Fernandez argues that our strongest allies in Latin America are Mexico, Brazil, and Colombia, three of the four strongest economies in the region, and must prioritize our economic efforts there to exemplify our commitment and the positive affect of U.S. trade.¹³⁴

An eroding U.S. economic presence can likely be attributed to a reduced budget, U.S. concentration on trade with Mexico, as well as growing involvement of the PRC in Latin America. Because of this missing presence, exports to China grew at a rate of over 32 percent from 2001 to 2010, mostly in primary goods, and helped the economies of several Latin American countries recover from recession.¹³⁵ These aspects of trade with China are further compounded by the consistent 10 percent growth rate of the Chinese economy through 2015, while the U.S. rate of growth is nearly half that—encouraging a heavier emphasis on China as a trading partner.¹³⁶ However, the United States is a major importer of high-income goods; most of which are produced in Mexico’s manufacturing sector—which uses imported goods to assemble high-income products bound for the United States.¹³⁷ Mexico remains the primary exporter to the U.S. from Latin America because, “of the country’s abundant cheap labor, proximity to U.S. markets, and the legal structure provided by the North American Free Trade Agreement.”¹³⁸ This has led the rest of Latin America to seek a competitive and reliable trade partners outside of the Western Hemisphere.

¹³³ Ibid., 507.

¹³⁴ Jose W. Fernandez, “Speaking a Common Language with Latin America: Economics,” *Americas Quarterly* 8, no. 2 (2014): 27, <http://search.proquest.com.libproxy.nps.edu/docview/1544004270/fulltextPDF/43BFCD0BB9BD4C55PQ/1?accountid=12702>.

¹³⁵ Martinez, “U.S. Trade in Goods With Latin America (2001–2010),” 504.

¹³⁶ Ibid.

¹³⁷ Ibid., 505.

¹³⁸ Ibid.

2. The Latin American Perspective

U.S. intervention, failed economic reform by way of the Washington Consensus, high tariffs, and extreme protectionist measures have created an atmosphere of distrust in Latin America. Countries throughout the region were quick to implement the reform measures, in the early 1990s, recommended by the Washington Consensus, after the failure of Import Substitution Industrialization (ISI); those measures include fiscal restraint, an increase in the role of the private sector while reducing the states' role in economic control, and reevaluation of trade policies that concentrate on the international market.¹³⁹ The reformist measures of the Washington Consensus failed, "the Latin American economies have experienced their worst quarter century" under the Washington Consensus.¹⁴⁰ The negative results felt throughout Latin America arguably weakened the fragile democracies that were newly in place after years of authoritarian rule, and though they did not fall, their ability to provide goods and services deteriorated.¹⁴¹ After the disappointment of this program, one can expect countries to seek a model for success from a different partner who may possess greater understanding of the region or come from a similar situation. Latin America has worked to develop lucrative trade agreements with China, the European Union, and other international partners. Currently, Latin American economies have grown out of deep debt and improved their global economic standing:

Many LAC [Latin American and Caribbean] countries have moved beyond their traditional reliance on resources from the International Monetary Fund, the World Bank, and the Inter-American Development Bank. Chile, Mexico, Peru, and Brazil now enjoy investment-grade status from credit-rating agencies and in recent years have been able to raise capital readily in international markets.¹⁴²

¹³⁹ Peter H. Smith, *Democracy in Latin America: Political Change in Comparative Perspective*, 3rd ed. (Oxford: Oxford University Press 2012), 120.

¹⁴⁰ John H. Coatsworth, "Structures, Endowments, and Institutions in the Economic History of Latin America," *Latin America Research Review* 40, no. 3 (2005): 137, <http://search.proquest.com.libproxy.nps.edu/docview/218137439/fulltextPDF/AB2034D795C246AFPO/1?accountid=12702>.

¹⁴¹ Smith, *Democracy in Latin America*, 120.

¹⁴² Brookings Institution, *Rethinking U.S.-Latin American Relations: A Hemispheric Partnership for a Turbulent World*, (Washington, DC: Brookings Institution, 2008), 8.

As economies recover from global market crashes, trade is beginning to increase. Even though the relationship between Latin America and the United States has been strained, the opportunity for further economic partnerships can evolve. The strongest trading relationship is seen between the United States and Mexico, where the bulk of goods are manufactured before heading to the U.S. market.

However, south of Mexico, U.S. reach is limited as there are a number of markets that remain untapped due to extreme protectionist measures. Moreover, two influential factors will limit the importance of trade with the United States: “1) a projected growth of China’s GDP that is 2.5 to 4.5 percentage points higher than the projected growth of the GDP of the U.S. and 2) the very limited capacity of the Latin countries to produce the kind of high-income goods that are demanded by the U.S. economy.”¹⁴³ Washington’s influence in Latin America has not always led to ‘good’ results. U.S. dissent can be expected from Latin America until protectionist trade measures are removed and a more balanced playing field is introduced to mutually benefit Washington and the governments of Latin America—possibly leading to the FTAA that has dominated the economic agenda since the signing of NAFTA.

3. U.S. Trade with Mexico

Even though China has supplanted the United States as a leading trade partner in some Latin American countries, Mexico continues to benefit from the establishment of NAFTA as the primary exporter of manufactured goods north. Although there has been an increase in trade and a steadier relationship between Mexico and China, it has not always been so seamless. Mexican businesses that rely on trade with the United States once saw China as a challenger: “Mexico has viewed China as a competitor, in terms of supplying assembled goods to the U.S. market and as a competitor for foreign direct investment in the maquiladora or export assembly sector. It fears losing its U.S. market share to China.”¹⁴⁴ Mexico’s geographic position and opportunity for virtually tariff-free trade throughout North America, because of the North American Free Trade Agreement

¹⁴³ Martinez, “U.S. Trade in Goods With Latin America (2001–2010),” 503.

¹⁴⁴ Dumbaugh, “China’s Growing Interest in Latin America,” 3.

(NAFTA), has made it a popular destination for Chinese manufactured goods, which negatively affect the local market.¹⁴⁵ For example, “between October 2000 and December 2002, Mexicans lost 270,000 manufacturing jobs” to China due to the reduced labor costs that originally drew businesses into Mexico from the United States.¹⁴⁶ In 2013, the relationship between Mexico and the PRC was elevated to a comprehensive strategic partnership: “The desire by both China and Mexico to deepen the relationship is visible in the plethora of initiatives and agreements between the governments since 2013 to facilitate cooperation in agriculture, tourism, and finance.”¹⁴⁷ Although there is a sense of optimism in President Enrique Peña Nieto’s administration for stronger ties to the PRC, there are still longstanding issues between the two countries that could prevent future cooperation. For instance,

Mexico is one of the countries in the region in which distrust toward both Chinese businessmen and ethnic Chinese is most deeply rooted. As far back as the Mexican Revolution, anti-Chinese sentiment inspired laws such as the prohibition of intermarriage between Chinese and Mexicans. Today, Mexicans commonly refer in disparaging terms to low quality Chinese products, presumed to be contraband, which allegedly undercut the position of Mexican producers and take jobs away from ordinary Mexicans.¹⁴⁸

In the end, the Mexican government wants Chinese business, but without the Mexican public’s acceptance of China’s growing influence in the country, such political action to increase ties between the two countries will be unlikely.

The other aspect of the Sino-Mexican partnership is the geographic position of Mexico to the United States and their long-standing economic ties in North America through the effort of NAFTA, entered into law in 1993. This particular free trade

¹⁴⁵ Ellis, *China in Latin America: The Whats and Wherefores*, 205.

¹⁴⁶ Ibid.

¹⁴⁷ Evan Ellis, “The China-Mexico Strategic Relationship and Its Impact on the US,” *The Manzella Report*, June 02, 2014, <http://www.manzellareport.com/index.php/world/854-the-china-mexico-strategic-relationship-and-impact-on-the-u-s>.

¹⁴⁸ Ibid.

agreement laid the groundwork for all future free trade agreements (FTA).¹⁴⁹ This economic partnership “potentially allows Chinese businesses to use manufacturing operations in Mexico as a springboard into the U.S. market (provided domestic content provisions can be met).”¹⁵⁰ If the Chinese bring in their own labor to staff these manufacturing plants in Mexico, which would gain them access to the U.S. economy, then there could be repercussions from Mexico for the United States—possibly affecting NAFTA. If the United States accepts the Chinese goods that enter the U.S. economy through Mexico, then Mexican labor will suffer and could further strain the U.S.-Mexico relationship. This, in turn, could lead to a decline in U.S. economic investment as China increases their footprint in the region.

B. U.S.–LATIN AMERICAN FOREIGN POLICY

Until recently, the Monroe Doctrine has guided foreign policy as it concerns relationships in Latin America and drove U.S. intervention in the region. This Doctrine highlighted the primacy of the United States foreign policy in the Western Hemisphere.¹⁵¹ Washington’s self-serving policies originally called for European countries to stay out of the Americas and extended beyond Europe as time has gone on in an effort to protect U.S. interests throughout the Americas, especially in Latin America.¹⁵² There have been many examples of interventions and actions justified by the Monroe Doctrine through history, such as implementation of the Platt Amendment in the Cuban Constitution, the building of the Panama Canal that cut off the isthmus of Central America from Colombia, changes in government regimes, and efforts such as Plan Colombia. However, “despite the litany of abuses (assumed or real), the United States gave cause and breath to real interests and benefits in the region. Those contributions to rights and freedoms and to political and economic stability became particularly true in the

¹⁴⁹ M. Angeles Villareal and Ian F. Ferguson. *NAFTA at 20: Overview and Trade Effects* (CRS Report No. R42965) (Washington, D.C.: Congressional Research Service, 2011.), i, <https://fas.org/sgp/crs/row/R42965.pdf>.

¹⁵⁰ Ellis, “The China-Mexico Strategic Relationship and Its Impact on the US.”

¹⁵¹ Charlene Barshefsky and James T. Hill, *U.S.-Latin America Relations: A New Direction for a New Reality*, (New York: Council on Foreign Relations, 2008), 5.

¹⁵² Chasteen, *Born in Blood and Fire*, 145.

waning years of the Cold War and the decades after.”¹⁵³ Examples of such benefits include the North American Free Trade Agreement, Plan Colombia, and bilateral support of the United States and non-governmental organizations in helping countries provide free and fair elections throughout the region. Points of contention against Washington’s policies remain such as “a greater willingness to challenge U.S. positions on drug policy or question the wisdom of its Cuba policy [but] should not be mistaken for broad-based opposition to the United States.”¹⁵⁴ Nevertheless, there is some evidence of waning U.S. leadership in the region, especially when one looks at regional institutions’ ability to resolve intra-regional issues.

Indications of diminishing U.S. influence can be seen the reduced role of U.S.-led institutions such as the Organization of American States in resolving important regional issues such as political succession in Honduras and Paraguay, the weakened ability of Washington to advance its position in key regional forums such as the Summit of the Americas, and the proliferation of new sub-regional institutions with explicitly exclude the U.S. such as UNASUR and CELAC.¹⁵⁵

The ideological push from Washington toward its southern neighbors is to institute regionalism—“a vehicle through which to create a stable mode of liberal economic governance across an area that has suffered not only severe and dislocating crises, but also dramatic policy swings between openness and protectionism.”¹⁵⁶ Washington’s policies are being met with hesitation as most countries are seeing a growth in nationalism and are more focused on domestic concerns.

Another foreign policy point that remains in effect from the 1980s is the United States’ war on drugs. This war—more of a policy than an actual war—has been deemed mostly unsuccessful since the drug trade from Latin America north is still a prevalent concern. The plans of counter-narcotics and coca eradication have caused concerns for peasant farmers throughout the Andean region of South America, leading to insurgent

¹⁵³ Sabatini, “Will Latin America Miss U.S. Hegemony?,” 8.

¹⁵⁴ Ibid., 11.

¹⁵⁵ Ellis, “The Rise of China in the Americas,” 95.

¹⁵⁶ Jean B. Grugel, “New Regionalism and Modes of Governance – Comparing U.S. and EU Strategies in Latin America,” *European Journal of International Relations* 10, no. 4 (2004): 608, doi: 10.1177/1354066104047850.

movements to protect the *cocaleros* and remove U.S. favored governments. The Shining Path was an active terrorist group in Peru from the 1980s through 1995 that found an opportunity to garner support by offering protection to the coca farmers in the valleys of Peru who made a living from drug traffickers and Colombian cartels. The overall goal of the Shining Path was to replace the standing government with their left leaning socialist ideology, using Maoist tactics to achieve their goals.¹⁵⁷ When the Peruvian government, sponsored by U.S. agencies began counternarcotic operations eradicating coca fields, they lost the hearts and minds of disenfranchised *cocaleros*, who were losing their livelihoods due to the campaign. The Shining Path were able to seize the opportunity and gain support throughout the countryside by offering infrastructure and other services not being provided by the state, which diminished the effectiveness of the war on drugs and reduced the popularity of U.S. initiatives in the region.¹⁵⁸ Eventually the strategy shifted to concentrate solely on drug traffickers, allowed the coca farmers to grow their successful cash crop, and slowly eroded the influence of the Shining Path on the peasantry to a point of defeat in 1995. Conversely, in Bolivia, Evo Morales—who is supported by the *cocaleros* in his country and was supported by Hugo Chavez, the anti-U.S. president of Venezuela—came to power through a democratic election on his promise to protect the coca farmers and prevent U.S. intervention in Bolivia. Washington’s policy toward drug producing countries has been to support right winged governments in an effort keep countries aligned with U.S. ideology and defeat illicit trafficking from Latin America. Leaving one to believe that, “Washington would like to get rid of all of the left governments in the region and return to a world of ‘limited sovereignty’ there that it maintained 20 years ago.”¹⁵⁹

Lastly, U.S. policy dictates the role of the Department of Defense (DOD), Department of State (DOS), and Department of Homeland Security (DHS) efforts in

¹⁵⁷ Vanda Felbab-Brown, *Shooting Up: Counterinsurgency and the War on Drugs*, (Washington, D.C.: The Brookings Institution, 2010), 36.

¹⁵⁸ *Ibid.*, 47.

¹⁵⁹ Mark Weisbrot, “U.S. Foreign Policy in Latin America Leaves an Open Door for China,” *The Guardian* January 31, 2014, <http://www.theguardian.com/commentisfree/2014/jan/31/latin-america-china-us-foreign-policy-reserve>.

preventing illicit trafficking from reaching the United States. Joint Publication 3-27 directly refers to U.S. Northern Command (NORTHCOM) and U.S. Pacific Command (PACOM) with the specific responsibilities of homeland defense and defines the other combatant commands (COCOM) as supporting actors responsible for actions within their own area of operation (AOR). In the United States Southern Command (SOUTHCOM), “the military’s role in the anti-drug effort is largely restricted to surveillance and intelligence gathering, communications and training of the police and Federal drug agents. Soldiers, sailors and pilots have no power to make arrests.”¹⁶⁰ Today’s interdiction strategy, Figure 4, depicts the process in dealing with narco-traffickers in the maritime realm with the cooperation of partner nations in the region and European allies. This process is handled by Joint Interagency Task Force South (JIATF-S), in Key West, Florida, a supporting command to SOUTHCOM. The mission of JIATF-S is to conduct “interagency and international Detection & Monitoring operations, and facilitates the interdiction of illicit trafficking and other narco-terrorist threats in support of national and partner nation security.”¹⁶¹ Ideally, the chain depicted below would be coordinated through Joint Interagency Task Force South in the following manner involving:

the application of actionable intelligence to determine the location of a suspect drug trafficking vessel. This is combined with detection and monitoring by [Customs and Border Patrol] CBP, Defense Department, U.S. Coast Guard, or partner nation maritime patrol aircraft (MPA). The MPA will then vector in a nearby U.S. Coast Guard, U.S. Navy, or allied surface asset which, with assistance from a U.S. Coast Guard Law Enforcement Detachment, will seize the illicit cargo and arrest the crew.¹⁶²

The State Department calls for a layered approach (see Figure 4) in dealing with the apprehension of illicit traffickers, and it “begins in foreign ports where the Coast Guard conducts foreign port assessments, leveraging the International Port Security Program to assess the effectiveness of port security and antiterrorism measures. Offshore,

¹⁶⁰ Andrew Rosenthal, “U.S. to Unveil Drug Plan With Wide Military Role,” *New York Times*, March 08, 1990, p. A5.

¹⁶¹ “Mission,” Joint Interagency Task Force South, Department of Defense, Accessed December 09, 2014, <http://www.jiatfs.southcom.mil/index.aspx>.

¹⁶² “Transit Zone Operations,” Office of National Drug Control Policy, The White House, Accessed December 09, 2014, <http://www.whitehouse.gov/ondcp/transit-zone-operations>.

maritime patrol aircraft provide broad surveillance capability enabling cutters and [United States Coast Guard] USCG law enforcement detachments [LEDET] embarked on U.S. Naval ships and partner nation vessels to respond to potential threats.”¹⁶³ Air and Sea assets of the U.S. Navy, U.S. Air Force, U.S. Coast Guard, and other law enforcement entities assist in providing the intelligence necessary for Joint Interagency Task Force South to conduct its mission. As the primary mission of anti-drug operations are law enforcement actions, the Coast Guard is the lead agency responsible for maritime interdiction and is responsible for 52 percent of yearly cocaine interdictions.¹⁶⁴

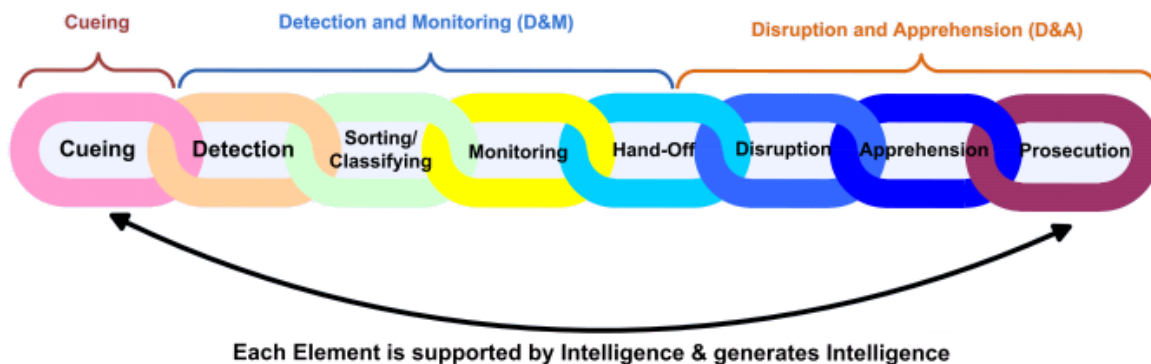


Figure 4. Drug Interdiction Operations¹⁶⁵

C. MILITARY COOPERATION

Since the terrorist attacks on September 11, 2001, the United States shifted its priorities to fight the threat of terrorism. “Facing the development situation of China-Latin American relations, the American political circle, academic circle, and the media claim that China has entered the U.S.’s ‘backyard,’ and that China is occupying the ‘strategic vacuum’ left behind by the U.S. because of neglect of Latin America after

¹⁶³ “2014 International Narcotics Control Strategy Report (INCSR): United States Coast Guard,” Bureau of International Narcotics and Law Enforcement Affairs, U.S. Department of State, December 09, 2014, <http://www.state.gov/j/inl/rls/nrcrpt/2014/vol1/223183.htm>.

¹⁶⁴ “Drug Interdiction,” United States Coast Guard, U.S. Department of Homeland Security, http://www.uscg.mil/hq/cg5/cg531/drug_interdiction.asp.

¹⁶⁵ “Transit Zone Operations.”

9/11.”¹⁶⁶ In an era of reduced spending and redeployment of forces to other geographic combatant commands, U.S. Southern Command has turned to increased military-to-military cooperation in an effort to build partner capacity and achieve the protection of its southern approaches from transnational crime. SOUTHCOM is the least-funded combatant command and has had to improvise new strategies in combatting transnational organized crime in an era of reduced spending. The COCOM’s time and effort in building partner capacity is reducing the reliance on U.S. forces in the area of responsibility but still producing positive results by stopping transnational organized crime from entering the United States. This section will analyze the efforts of building partner capacity and military missions to Latin America.

Building partner capacity is a cornerstone of U.S. military strategy in preventing transnational crime into the United States. This effort ensures a larger basis for the collection of intelligence, execution of operations, and cooperation in hand-off and interdiction of suspected illegal activities. Joint operations with partnership nations allow for easier communication and increased presence, especially in an era of reduced spending from Washington, which limits U.S. maritime force operations in the Southern Command area of responsibility. A fact of operating under U.S. Southern Command is to understand that they are the lowest priority Geographic combatant command.¹⁶⁷ In General Kelly’s Posture Statement before the House Armed Services Committee in 2014, he cited that, “insufficient maritime surface vessels and intelligence, surveillance, and reconnaissance platforms impair our primary mission to detect threats and defend the southern approaches to the U.S. homeland.”¹⁶⁸ General Kelly further stresses that

illicit trafficking poses a direct threat to our nation’s public health, safety, and border security [adding potentially] ... terrorist organizations could seek to leverage those same smuggling routes to move operatives with

¹⁶⁶ Sun Hongbo, “China’s Benefits in Latin America: American Scholars’ Judgement and Anxiety,” in *China-Latin America Relations: Review and Analysis*, vol. 1, ed. He Shuangrong (United Kingdom: Paths International Ltd, 2012), 46.

¹⁶⁷ General John F. Kelly, *Posture Statement of General John F. Kelly, United States Marine Corps; Commander, United States Southern Command*, (Washington, D.C.: 2014), 3.

¹⁶⁸ *Ibid.*, 2–3.

intent to cause grave harm to our citizens or even quite easily bring weapons of mass destruction into the United States.¹⁶⁹

Thus, this has led to an increased emphasis on working with and training Latin American counterparts.

Operations have been initiated in the southern hemisphere to mitigate reduced U.S. capacity and increase partner ability. Missions such as Operation Martillo, which is:

The U.S. contribution to the multinational detection, monitoring and interdiction operation includes U.S. Navy and Coast Guard vessels, aircraft from U.S. federal law enforcement agencies, and military and law enforcement units from various nations working together to deny transnational criminal organizations the ability to exploit these transshipment routes for the movement of narcotics, precursor chemicals, bulk cash, and weapons along Central American shipping routes.¹⁷⁰

Operation Martillo has provided an increased interoperable environment and has seen an increase in results from partner nations; keeping 66 metric tons of cocaine out of the United States in 2013.¹⁷¹ This means, “50 percent of Joint Interagency task Force South’s successes would not have occurred without the participation of partner nations.”¹⁷² As recently as February 2015, “The Dominican Republic’s Navy, Air Force, and National Drug Control Police (DNCD) captured two suspected narco-traffickers in connection with the seizure of 926 packages of cocaine aboard two boats in separate operations near Saona Island earlier this month.”¹⁷³ Our partner nations include “Belize, Colombia, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Panama, Canada, and the United States—along with France, the Netherlands, Spain and the United Kingdom.”¹⁷⁴

¹⁶⁹ Ibid., 3–4.

¹⁷⁰ “Operation Martillo,” United States Southern Command, December 17, 2014, <http://www.southcom.mil/newsroom/Pages/Operation-Martillo.aspx>.

¹⁷¹ Kelly, *Posture Statement*, 17.

¹⁷² Ibid.

¹⁷³ Juan Gomez, “Dominican Military and Police Seize Large Volume of Drugs,” Dialogo, February 17, 2015, http://dialogo-americas.com/en_GB/articles/rmisa/features/2015/02/17/feature-05.

¹⁷⁴ Francisco Ramos, “British Frigate HMS Argyll Offloads 1,056 Kilograms of Cocaine,” Dialogo, December 02, 2014, http://dialogo-americas.com/en_GB/articles/rmisa/features/2014/12/02/feature-01.

Another effort run by Southern Command is the Secure Seas Program, which was announced by President Obama in 2009.

The Secure Seas program, began in 2012, falls under the Caribbean Basin Security Initiative (CBSI), a regional security partnership initiative ... Secure Seas aims to facilitate a collective maritime security approach in the Eastern Caribbean and enable participating nations to effectively work together to counter the regional threats posed by Transnational Organized Crime.¹⁷⁵

This program has been instrumental in constructing and improving partner nation's maritime bases, has provided training opportunities from U.S. Navy small boat teams, and has donated 42 interceptor patrol boats. All this in the effort of balancing a declining force amid a tightening budget; building partner capacity is an opportunity to relieve the U.S. burden and create a more sustained force from other countries in the region.

The United States and China interact with Latin American militaries in different ways. The U.S. military's role in the region is one of U.S. border protection, foreign military training, and humanitarian aid/disaster relief. The literature on China's involvement in Latin America is interesting because it is from a competitor outside of western society. This is important because China offers a competitive alternative for military technology and training for the region, allowing Latin American countries to seek the advantage in training and arms sales. What has not changed is that Washington still sells arms and provides training throughout Latin America. Although the U.S. has reduced deployments to the region, Washington continues to utilize training as an opportunity to enhance our partner's capacity. U.S. commitment to the region is displayed in the following figures. Figure 5 displays overall police and military aid in U.S. dollars to Latin America from 2003–2016. Until 2010, there was a steady increase in military aid to Latin America, 2011 signals the effects of sequestration to the SOUTHCOM AOR with a sharp decline in funding. This sharp decline in funding is in concert with General Kelly's examples of how sequestration has hindered his ability to combat illicit activity in the southern approaches to the United States. Figure 6 shows

¹⁷⁵ "Secure Seas Program," United States Southern Command, June 02, 2014, <http://www.southcom.mil/newsroom/Pages/Secure-Seas.aspx>.

U.S. arms sales to Latin America from 2003–2014, showing a net increase from 2003–2013 followed by a drastic decline to the region from 2013 to 2014. Figure 7 displays police and military personnel trained throughout the region from 2003–2013. There has been an inconsistent trend with the training of Latin American forces since 2003. However, after experiencing a decline in training, the number of personnel trained remained steady from 2012 to 2013. As Chapter II explained the increase in Chinese military participation in the region, this data shows the United States is still involved, but has periods of inconsistencies as dictated by economic conditions. As the previous chapter explains the increasing role of the Chinese military throughout South America is not related to a perceived decline in Washington’s interest in the region.



Figure 5. U.S. Military and Police Aid to Latin America 2003–2016 (Millions of Dollars)¹⁷⁶

¹⁷⁶ “Military and Police Aid by Year,” Security Assistance Monitor, Center for International Policy, Accessed June 17, 2015, <http://www.securityassistance.org/latin-america-and-caribbean/data>.



Figure 6. U.S. Arms Sales to Latin America 2003–2013
(Billions of Dollars)¹⁷⁷

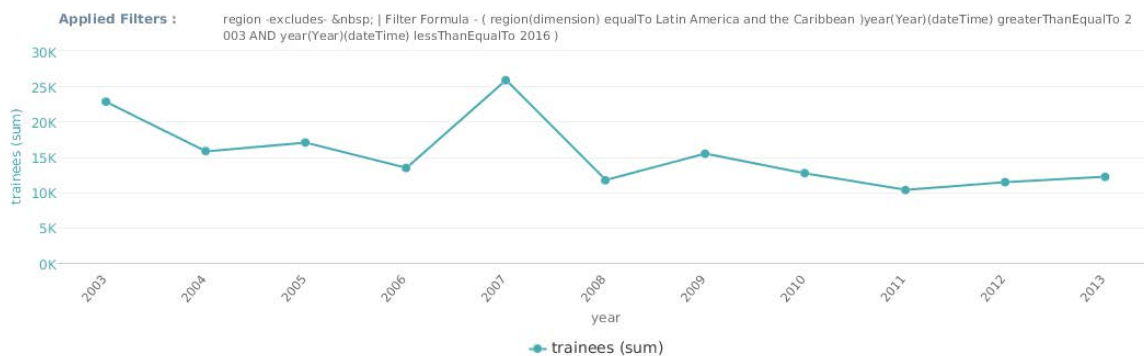


Figure 7. U.S. Training Provided to Latin American Personnel 2003–2013
(Thousands of Personnel)¹⁷⁸

In sum, these efforts to build partner capacity have resulted in the decline of transnational crime in the southern approaches to the United States. Because of a fiscally cautious government, aging maritime assets, and reduced flight hours the United States is reliant on strengthening partner nations to help keep the United States safe from those who think they can easily infiltrate from the south. Based on the statement of General Kelly, if it were not for the efforts of partner nations, the U.S. would have been unable to stop approximately 50 percent of drugs SOUTHCOM estimates entered the United States

¹⁷⁷ “Arms Sales by Year,” Data, Security Assistance Monitor, Accessed June 17, 2015, <http://www.securityassistance.org/latin-america-and-caribbean/data>.

¹⁷⁸ “Trainees by Year,” Data, Security Assistance Monitor, Accessed June 17, 2015, <http://www.securityassistance.org/latin-america-and-caribbean/data>.

in 2013.¹⁷⁹ With a decline in Washington's ability to pressure transnational criminal groups operating in Latin America, its efforts in building partner capacity are paying off.

D. CONCLUSION

The United States' military activity in Latin America has declined. Although the United States remains the dominant trade partner in Latin America, high tariffs and other protectionist measures have made other international partnerships more ideal for Latin American countries to seek. So long as Washington remains unwilling to cooperate toward the needs to the region and Latin American countries remain unable to provide the higher quality goods and reliable partnerships Washington seeks, then expect continued efforts to block the Free Trade Area of the Americas. Washington's excessive interventions in Latin America, exemplified by the Monroe Doctrine and other efforts like the military footprint involved in the war on drugs, have helped weaken fledgling democratic institutions. As countries in the region have gained support through their own regional organizations, participation in international organizations, and expanded partnerships abroad, countries throughout Latin America are in a better position today to decline U.S. policy initiatives that do not suit their needs. Regional security and ultimately U.S. security will continue to drive Washington's foreign policy agenda toward the region. As we see the loosening of sanctions against Cuba, the possibility to work more cooperatively with Latin America on security issues, which have been blocked in the past because of Washington's hard line stance against the Communist government, may become more viable in the future. The Global War on Terror and an aging maritime force has limited the capability of the U.S. Southern Command to operate in and around Central and South America. Fiscal restraint, referred to as sequestration, has placed SOUTHCOM at the bottom of COCOM priority. However, disadvantaged, SOUTHCOM is still finding ways to foster a cooperative environment with Latin American militaries and preventing illicit trafficking into the United States. By building more capable partners, it reduces the current demand on U.S. forces in the region for the time being.

¹⁷⁹ Kelly, *Posture Statement*, 17.

IV. CONCLUSIONS

This thesis addresses the long-term implications of the United States' declining participation in Latin America, combined with China's increasing interest, especially in regards to U.S. national security. This question was approached through a comparative analysis of the presence of China and the United States in Latin America. The findings suggest that China and the United States will act according to their own self-interest while the countries of Latin America are in a better position to choose alliances based on what is most advantageous to their needs. Countries throughout Latin America have grown away from the idea that they are a part of Washington's 'backyard' and seek the best relationships to benefit their economic, political, and military agendas.

The research proposes that China's growing influence in Latin America is based on self-interest, not decreased U.S. interest, and also not forcing the United States out of the region. China offers Latin America a strong and reliable partner outside of the United States and this mutually beneficial relationship will most likely foster continued cooperation. The going-out policy initiated by China has led to large sums of investment along with the commercial growth of industry in the Latin American resource sector. Moreover, Beijing's economic growth has offered Latin American governments a role model in economic reform while the failure of the Washington Consensus has further solidified the notion that Beijing's model is more applicable to the governments of Latin America. As the PRC grows as a global power they continue to tailor foreign policy initiatives to the needs of Latin America demonstrating mutual respect. Continued visits to Latin America by high-level dignitaries demonstrate the importance of the relationship to China, which was further reinforced by their 2008 policy paper, Confucius Institutes, and peer-to-peer exchanges. Military cooperation is also on the rise, filling a void left by the United States. U.S. strategy has turned to building the capacity of allied countries throughout Latin America, allowing Washington to more closely concentrate on the Middle East and the Global War on Terror. All of these dynamics of the Sino-Latin American relationship suggest that it will continue to flourish.

Furthermore, the United States' presence is noticeably reduced from the 1990s in most areas concerning Latin America. Economically, Latin America has sought opportunities to grow within their internal trading blocs, through the European Union, and especially with China. Washington's reluctance to lower tariffs and its other protectionist measures have made international partnerships outside of the U.S. necessary for continued economic growth for Latin American countries. The United States is still an attractive trade partner for many in the region, but the opportunities presented by other partnerships have allowed Latin America to grow independently from the United States. So long as Washington and Latin American countries remain unwilling to cooperate towards the needs of the other, closer economic ties, like those offered through the FTAA, are unlikely to come to fruition. Washington's reactionary and interventionist approaches in Latin America are often cited as hurting the newer democratic institutions throughout the region. As countries in Latin America have gained support through their own regional organizations, through participation in international organizations, and through expanded partnerships abroad, they have also gained a better position to decline U.S. policy initiatives that do not suit their needs. However, the United States has an opportunity to re-evaluate policies toward Latin America and rebuild weakened partnerships, as attempted before the attacks of September 11, 2001. U.S. economic growth in concert with the rest of the Americas will only benefit the parties involved and aid increasing regional stability. Ultimately, U.S. security will continue to drive Washington's foreign policy agenda, or lack thereof, in the region.

How China's increasing footprint in the Western Hemisphere will affect U.S. security in the region is yet to be seen. Policy papers, academic literature, and media coverage often portray a growing Chinese presence, but that growing presence does not correlate with a diminished U.S. security environment. To the contrary, the literature has shown that the Chinese act cautiously to not provoke a military response from Washington. However, I believe there is enough evidence to support the claim that as the presence of China increases in the Western Hemisphere, the ability of the United States to enact policy and garner support from hemispheric neighbors is diminishing with the benefits offered by Beijing. The benefits of the economic partnership alone have directly

influenced countries in Latin America to shift their diplomatic recognition from Republic of China to the People's Republic of China. Based on this precedence, if a vote came before the United Nation Security Council that placed the United States and the PRC on opposite sides of the argument, one may expect the temporary members of the United Nations Security Council to act against the interests of the United States if the PRC willed it. With the U.S. economy only growing at half the rate of the PRC's, Washington's ability to compete in dollar diplomacy is at a disadvantage. The U.S. government is operating at a reduced capacity, a constrained budget, the low priority assigned to U.S. Southern Command, and the lack of organic assets assigned to U.S. Fourth Fleet compound to an inability for the United States to seek an improved political relationship between Washington and the governments of Latin America.

A. POLICY RECOMMENDATIONS

At this juncture in the U.S.-Latin American relationship, Washington has taken a major step forward in improving its status with the region. Loosening the sanctions and restarting an open dialog with Cuba has shown Latin America that Washington can change and adjust its policies. It may be time for Washington to address its protectionist trade measures. Although the aims of the measures are to protect U.S. industry they have been damaging to the agricultural trade sector for Latin American exports. As Jean B. Grugel describes in his comparison of U.S. and EU trade policies towards Latin America, the United States has addressed some of the measures on a bilateral basis as a reward for economic liberalization in adhering to the U.S. policies.¹⁸⁰ He continues that the FTAA looks, "from the Latin American perspective, to be turning into simply a device for strengthening the U.S.'s presence and U.S. investments within Latin America in something of a zero-sum game."¹⁸¹ This approach with Latin American countries may need to be reconsidered at the regional level in order to work toward strengthening economic partnerships and could finally lead to a successful construction of an FTAA.

¹⁸⁰ Grugel, "New Regionalism and Modes of Governance – Comparing U.S. and EU Strategies in Latin America," 610.

¹⁸¹ Ibid.

In addition to the economic perspective, other efforts to show a greater commitment to Latin America could be initiated through military-to-military cooperation. In 2008, when the U.S. Navy re-established the Fourth Fleet in an effort to display how important the United States considered building maritime partnerships, ensuring regional security, and maintaining stability was a positive political step that may have been overshadowed by the lack of organic assets to the Fleet. General Kelly has continuously outlined the decline in naval assets in his yearly Posture Statements, as the U.S. Navy has been decommissioning their fleet of Oliver Hazard Perry Class Frigates, which have frequented the Fourth Fleet AOR in anti-drug operations. In turn, the answer has been to build partner capacity and rely on U.S. allies to carry out the mission to combat illicit trafficking through the maritime domain. Reinvigorating the U.S. Fourth Fleet would increase the capacity of SOUTHCOM to defend the southern approaches of the United States, display a commitment to Latin America by increasing the importance the United States places on the region, and display the importance of combatting illicit trafficking in the hemisphere. Furthermore, the Combatant Commands show a clear distinction between North and South America, a consideration could be to consolidate efforts for regional security and stability and combine NORTHCOM and SOUTHCOM as one combatant command. The consolidation of the two commands may reduce the costs of maintaining two commands that are charged with the defense of the approaches to the United States and show solidarity towards Latin America.

B. POSSIBLE FUTURE RESEARCH

There are many more areas of research that could be explored for future work on this topic. One recommendation would be the study of the bilateral relationship between China and the United States in individual countries throughout Latin America, showing economic and military aid/cooperation trends. The research conducted in this thesis has been limited by the broad approach taken to identify regional trends. A closer analysis of specific countries in Latin America, how or if they have embraced China's commitment to them compared to the United States, would narrow down specific policy recommendations for the United States with specific countries at the bilateral level. These

recommendations may offer a more concise approach in how the United States applies policies to each country or the region.

Further security studies research could examine the threat of the increased Chinese footprint in the Western Hemisphere, especially in the event of potential conflict. The Treaty of Reciprocal Assistance also known as the Rio Treaty defines the responsibilities of those signed to the obligation of mutual assistance, where an attack on one is an attack on all states of the Americas in order to promote regional solidarity.¹⁸² After the terrorist attacks of September 11, 2001, the OAS enacted the Rio Treaty: “all States Party to the Rio Treaty shall provide effective reciprocal assistance to address such attacks and the threat of any similar attacks against any American state, and to maintain the peace and security of the continent.”¹⁸³

Lastly, based on the policy recommendation of the possibility of combining NORTHCOM and SOUTHCOM, Operations Research analysis could determine the cost benefit analysis of this consolidation. If the Department of Defense could save money in operating costs it could increase deployments throughout the hemisphere and increase the success of catching illicit traffickers. Other research could be designed around whether combining NORTHCOM and SOUTHCOM under one combatant command would increase solidarity throughout the Americas and if it could improve the impression of the United States in Latin America.

¹⁸² “Inter-American Treaty of Reciprocal Assistance,” Organization of American States, accessed May 24, 2015, <http://www.oas.org/juridico/english/treaties/b-29.html>.

¹⁸³ “Terrorist Attacks on United States are an Attack on all Countries of the Americas, Foreign Ministers Declare,” Organization of American States, accessed May 24, 2015, <http://www.oas.org/OASpage/press2002/en/press2001/sept01/194.htm>.

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